

REGULAR COUNCIL MEETING MONDAY, JANUARY 23, 2012
5:30 P.M.

	1	2
1.0 CALL TO ORDER		
2.0 PLEDGE OF ALLEGIANCE <i>Mayor Laurie L. Barra</i>		
3.0 ROLL CALL <i>Clerk to Call the Roll</i>		
4.0 APPROVAL OF AGENDA <i>ACTION: Motion to approve the meeting agenda.</i> <i>VOTE REQUIRED</i>		
5.0 APPROVAL OF MINUTES <i>ACTION: Motion to approve minutes of the Regular Council Meeting of January 9, 2012.</i> <i>VOTE REQUIRED</i>		
6.0 PUBLIC INPUT ON AGENDA ITEMS <i>Speakers to state name, address, and spell last name. Speakers will be given 5 minutes to address the Council. Questions unrelated to agenda items are accepted during "Public Questions" near the end of the meeting.</i>		
7.0 CONSENT AGENDA		
7.1 Receive and File December Monthly Reports and Minutes: Police Department, Fire Department, Tazewell County Animal Control, and Building Department Reports.		5
7.2 Receive and File Annual Financial Statements for Year Ended April 30, 2011 prepared by Willow, Warning & Co., P.C.		5
<i>ACTION: Motion to approve all items listed on the Consent Agenda by Omnibus Vote.</i> <i>VOTE REQUIRED TO APPROVE CONSENT AGENDA</i>		5
8.0 COMMUNICATIONS, PETITIONS, REPORTS		
8.1 Presentation to Officer Rodney Hany for his 21 ½ years of service on the Pekin Police Department	GN	2
8.2 Audit Report DESCRIPTION: Presentation of Financial Statements for Year Ended April 30, 2011 from Jim Warning, Willock Warning & Co., P.C., Certified Public Accountants.		5

8.3	Budget Information DESCRIPTION: Assistant City Manager Darin Girdler to provide preliminary figures for the development of the FY 2013 Budget.	DG	5
9.0	UNFINISHED BUSINESS		
9.1	Agreement with Advanced Technology Recycling for Electronics Recycling DESCRIPTION: Agreement at no cost for the disposal of electronic items (televisions, monitors, microwaves, keyboards, etc.). ATR to provided containers and pickup at the Street Department facility where the public can drop off items that effective January 1, 2012 are not allowed to be placed in a landfill. ACTION: Motion to remove from the table and Motion to approve the agreement. VOTE REQUIRED	JW	5
10.0	NEW BUSINESS		
10.1	Intergovernmental Agreement for Police Protection Services DESCRIPTION: Agreement with Housing Authority of the City of Pekin to provide Protection of residents by uniform off-duty police officers. Rates for annual renewal between the months of February through January remains at \$25.00 per hour. ACTION: Motion to approve the Agreement. VOTE REQUIRED	GN	2
10.2	Ordinance No. 2649-11/12 - Establishing Procedure for Sale or Lease of Surplus Public Real Estate DESCRIPTION: The procedure will allow the City to more efficiently handle the process of disposing or leasing surplus properties by allowing the City Manager to negotiate the price and terms that would be presented to Council for approval by $\frac{3}{4}$ vote. Provisions to be incorporated into the Code of the City of Pekin. ACTION: Motion to approve the Ordinance. VOTE REQUIRED	DG	5
10.3	Ordinance No. 2650-11/12 – Execution of an Exchange Agreement DESCRIPTION: Exchanging 19.1248 acres of City property for two parcels 11.953 acres necessary for the continued acquisition of right-of-way for Veterans Drive Project. Relocation of irrigation systems and tree clearing reimbursed by IDOT. ACTION: Motion to approve the Ordinance. VOTE REQUIRED	DG	3
10.4	Resolution No. 26-11/12 – Supplemental to Resolution No. 42-09/10 DESCRIPTION: Appropriating additional Motor Fuel Tax for resurfacing Rt 9 and upgrade of traffic signals Court & Veterans and Court & Barney in amount of \$657.50. ACTION: Motion to adopt the Resolution. VOTE REQUIRED	MG	3

10.5 Ordinance No. 2651-11/12 - Amending Title 6, Chapter 2 of the Code of the City of Pekin 1995 Banning Synthetic Alternative Drugs DESCRIPTION: The purpose of the ordinance is to prohibit the sale, gift, delivery, possession and use of synthetic alternative drugs and being sold at commercial businesses in the community. National Poison Control Centers have received increased reports of these compounds being used. ACTION: Motion to adopt the Ordinance. VOTE REQUIRED	GN	2
11.0 ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL 10.1 Council Members 10.2 Staff 10.3 Five Minute Public Questions 10.4 Press Time		
12.0 EXECUTIVE SESSION 65 ILCS 120/2 (c)		5
13.0 ADJOURN NO VOTE REQUIRED		

Column 1 Key:

DG Assistant City Manager Darin Girdler
 MG City Engineer Mike Guerra

GN Police Chief Greg Nelson
 JW City Manager Joseph Wuellner

Column 2 Key:

- 1 A Prosperous Community.** To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
- 2 A Safe Community.** To protect community life and property by providing effective, principled police and fire services.
- 3 A Strong Foundation.** To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
- 4 A High Quality of Life.** To support or provide services that improve the quality of life for Pekin's residents.
- 5 An Effective Government.** To deliver effectively the services that Pekin's residents want, need, and are willing to support.

**PROCEEDINGS OF THE REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE COUNCIL CHAMBERS OF CITY HALL
111 SOUTH CAPITOL STREET
ON MONDAY, JANUARY 9, 2012 AT 5:30 O'CLOCK P.M.
LAURIE L. BARRA, MAYOR PRESIDING**

PRESENT: COUNCIL MEMBERS, ABEL, BLANCHARD, SCHMIDGALL. HENDRICKS, AND BARRA

ABSENT: COUNCIL MEMBERS MCCABE AND MASSAGLIA

The **Pledge of Allegiance** was led by Mayor Barra.

Roll was called and all Council Members were physically present except Council Members McCabe and Massaglia. A quorum was present.

AGENDA

Motion by Council Member Hendricks, seconded by Council Member Blanchard that **the agenda be amended by removing 7.4 under Consent Agenda and the agenda then be approved as amended.** On roll call vote all present voted Aye.

MINUTES

Motion by Council Member Hendricks, seconded by Council Member Abel, that the **minutes of the Regular City Council Meeting of December 12, 2011, be approved as written.** On roll call vote, all present voted Aye.

PUBLIC INPUT

Bill Fleming, Director of Pekin Area Chamber of Commerce spoke to the Agreement with Advanced Technology Recycling. He requested Council delay the vote and consider giving a local business Going Green Computers, the opportunity to submit their qualifications.

CONSENT AGENDA

Motion by Council Member Hendricks, seconded by Council Member Blanchard, that the **CONSENT AGENDA be approved as presented.** The following were presented for consideration of the Consent Agenda items by Omnibus Vote.

7.1 Receive and File Monthly Reports and Minutes: Police November Report, Tazewell County Animal Control November Report, Building Department October and November Reports, and Liquor Commission Meeting Minutes December 22, 2011.
7.2 Receive and File Financial Statements April 30, 2011: Tax Increment Financing Central Business District Fund, Sewerage Fund, Pekin Public Library Fund, and Tazewell/Pekin Consolidated Communications Center.
7.3 Receive and File Bids for Wastewater Treatment Plant Sludge Removal opened December 28, 2011.
7.5 Approve Council Meetings Dates set for 2012.
7.6 Resolution No. 27-11/12 – Mayor's appointments of Patrick Oberle and Frank Mackaman to the Economic Development Advisory Committee.
7.7 Receive and File Pekin Zoning Board of Appeals Minutes dated December 14, 2011.

On roll call vote all present voted Aye.

NEW BUSINESS

Motion by Council Member Abel, seconded by Council Member Blanchard that the **BID FOR THE WASTEWATER TREATMENT PLANT SLUDGE REMOVAL PROJECT in the amount of \$30,800.00, be approved and the contract awarded to Stark Excavating, Inc.** City Engineer Mike Guerra recommended the award of a contract to Stark Excavating, Inc. for the removal of the sludge material down to the clay liner from approximately 1/3 of the lagoon. He informed the Council that this was a separate project from the contract provider. The area needed to be cleared for Williams Brothers to be able to excavate for the footings in the construction of the new plant. Council was also advised that it was the responsibility of the contractor if they disposed of the materials to farmers. Though the project was not budgeted the expense could still be paid from the sludge fund extra. On roll call vote all present voted Aye.

Motion by Council Member Abel, seconded by Council Member Schmidgall that **CHANGE ORDER #7 FOR THE WASTEWATER Treatment Plant Phase I project in a credit amount of \$76,829.75, be approved.** City Manager Joe Wuellner advised Council that the change covered credits for computer equipment the City purchased and additional work required to make changes to piping, electrical and control changes to keep existing system in service. On roll call vote all present voted Aye.

ORDINANCE NO. 1462-A-312-11/12

AMENDING TITLE 8, CHAPTER 2 OF THE CODE OF THE CITY OF PEKIN 1995 REGARDING NO LEFT TURN AT HILLTOP AND COURT STREETS

Motion by Council Member Schmidgall, seconded by Council Member Abel that Ordinance No. 1462-A-312-11/12 be adopted. In Chief Nelson's absence, the Manager explained the recommendation of the Traffic Safety Committee to prohibit vehicles on the easterly intersection of Hilltop and Court from making left turns on to Court Street. The decision based on a fatal accident that occurred at the location would restrict left turns during heavy traffic between 8:00.a.m. and 8:00 p.m. On roll call vote all present voted Aye.

Motion by Council Member Blanchard, seconded by Council Member Hendricks that the **INTERGOVERNMENTAL AGREEMENT WITH TAZEWEEL COUNTY FOR ANIMAL & RABIES CONTROL SERVICES in the amount of \$45,046.00 be approved.** Mr. Wuellner requested the approval of an annual agreement to pick up and properly disperse/dispose of lost or stray animals. He noted the County had the proper facilities and personnel to provide this service that the City did not. Council Member Blanchard questioned if the contract were not entered into, would not the taxpayer of the County still get response. On roll call vote all present voted Aye.

Motion by Council Member Schmidgall, seconded by Council Member Blanchard that the **AGREEMENT WITH ADVANCED TECHNOLOGY RECYCLING FOR ELECTRONICS RECYCLING be approved.** Council was advised that effective January 1, 2012 televisions, monitors, microwaves, keyboards, etc. were not allowed to be placed in a landfill. Background information was given by City Manager Joe Wuellner regarding an agreement at no cost for the disposal of electronic items. ATR would provide containers for the public and pickup at the Street Department facility. Discussion following regarding a local company, Going Green Computer's qualifications. It was agreed time would be given to submit a proposal containing their compliance with the Public Act. Motion by Council Member Blanchard, seconded by Council Member Schmidgall that the **AGREEMENT WITH ADVANCED TECHNOLOGY RECYCLING FOR ELECTRONICS RECYCLING be tabled until the next regular meeting of January 23, 2012.** On roll call vote, all present voted Aye.

ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL

Council Member Blanchard complimented the public for their charity in giving to the less fortunate during the holidays.

Mayor Barra expressed the City's condolences to Council Member McCabe and family on the death of his sister. She also announced the scheduling of the Pekin Area Chamber of Commerce on Saturday, January 14, 2012 and the Martin Luther King Peoria Luncheon on Monday, January 16, 2012.

City Manager Joe Wuellner informed the public that Friday, January 13, 2012 would be the last day of yardwaste

pickup until Spring.

Dale Kuntz, 5 Fox Point, distributed photos of what he feels is “Cultural Decade” and dumpiness in his continued campaign to encourage cleanup of Court Street.

Brad Frick, 1600 Margaret Street addressed the Council regarding his previous and present relationship with the City on recycling. He stated the company Going Green has State Certification for recycling electronics.

Steven Moore, 2010 Westgate, stated the 8:00 a.m. to 8:00 p.m. time for prohibited left turn from Hill Top on to Court Street would be confusing. He also questioned the Council following approval of the Animal and Rabies Agreement if there had been any reported cases of rabies in the last year by the County.

Ray Magee, Account Executive, Advanced Technology Recycling spoke in support of ATR’s ability to provide for the disposal of the City’s electronics in a manner protective of the environment.

EXECUTIVE SESSION

Motion by Council Member Schmidgall, seconded by Council Member Blanchard, that the Council move to Executive Session at 6:10 p.m. to discuss 5 ILCS 120/2 (c) (6) (5) Acquisition, Sale, Exchange, of Municipally Owned Property. On roll call vote all present voted Aye.

No further business to come before the Council, Mayor Barra adjourned the meeting in open session.

COUNCIL ADJOURNED AT 6:20 P.M.

Sue E. McMillan
City Clerk

BUILDING REPORT 2011

MONTH	DWELLINGS 1	GARAGES 2	MULTI-FAMILY 3	COMMERCIAL 4	COMMERCIAL REMODELING 5	RESIDENTIAL REMODELING 6	MISC. 7	RESIDENTIAL DEMOLITIONS 8	COMMERCIAL DEMOLITIONS 9	BUILDING DOLLARS	BLDG PERMITS								
JANUARY																			
FEBRUARY	2.00	1.00			11.00	\$292,562	10.00	\$160,821		\$453,383	22.00								
MARCH	2.00	2.00			4.00	\$192,014	6.00	\$69,933	2.00	\$4,050	18.00								
APRIL	4.00	1.00		1.00	15.00	\$417,237	18.00	\$189,066	16.00	\$23,264	53.00								
MAY	2.00	3.00			10.00	\$93,700	12.00	\$140,050	49.00	\$101,939	1.00	\$0	\$6,048,044	79.00					
JUNE	2.00	6.00		2.00	13.00	\$270,040	19.00	\$340,223	41.00	\$83,345	1.00	\$0	\$1,024,982	79.00					
TOTAL 6 MO.	12.00	13.00	0.00	3.00	64.00	\$847,143	15.00	\$55,913	38.00	\$98,458	3.00	\$0	\$1,845,911	77.00					
JULY	1.00	5.00			11.00	\$292,562	10.00	\$160,821		\$453,383	22.00								
AUGUST	3.00				4.00	\$192,014	6.00	\$69,933	2.00	\$4,050	18.00								
SEPTEMBER	2.00				15.00	\$417,237	18.00	\$189,066	16.00	\$23,264	53.00								
OCTOBER	2.00	4.00		1.00	10.00	\$93,700	12.00	\$140,050	49.00	\$101,939	1.00	\$0	\$6,048,044	79.00					
NOVEMBER		2.00			13.00	\$270,040	19.00	\$340,223	41.00	\$83,345	1.00	\$0	\$1,024,982	79.00					
DECEMBER		1.00		2.00	11.00	\$847,143	15.00	\$55,913	38.00	\$98,458	3.00	\$0	\$1,845,911	77.00					
TOTAL 6 MO.	8.00	11.00	0.00	3.00	64.00	\$847,143	15.00	\$55,913	38.00	\$98,458	3.00	\$0	\$1,845,911	77.00					
YEAR	20	\$3,096,577	24.00	\$252,656	0.00	\$0	4.00	\$5,000,000	99.00	\$3,207,460	161.00	\$2,140,290	219.00	\$358,727	7.00	\$0	\$0	\$16,051,621	\$24.00

**PEKIN POLICE DEPARTMENT
END OF MONTH REPORT FOR DECEMBER 2011**

	DECEMBER 2010	NOVEMBER 2011	DECEMBER 2011
TRAFFIC TICKETS	296	232	229
WARNING TICKETS	268	104	133
OFFENSES	389	383	349
ARRESTS	194	147	195
PARKING TICKETS	186	168	139
STOPS	701	922	949

CITY ORDINANCE TICKETS FOR DECEMBER 2011

NUMBER OF TICKETS WRITTEN 53
NUMBER OF TICKETS PAID OVER THE COUNTER 17
FINES COLLECTED OVER THE COUNTER \$3900

January 3, 2012

Mr. Joe Wuellner
Pekin City Manager
Pekin, IL. 61554

Dear Mr. Wuellner,

I herby submit to you the Pekin Fire Department December 2011 report, plus a summary of November 2011.

Kurt Nelson
Fire Chief
City of Pekin Fire Department

During the month of December 2011, the Pekin Fire Department responded to 336 calls, total dollar loss was \$132,000.00.

During the month of December 2011 (approximately 74.55%) were emergency medical calls, 86 were automatic fire alarms, service calls, small hazardous conditions involving no fire, and false alarms.

During the month of November 2011, the Pekin Fire Department responded to 375 calls, total dollar loss was \$39,600.00.

During the month of November 2011 (approximately 70.93%) were emergency medical calls, 109 were automatic fire alarms, service calls, small hazardous conditions involving no fire, and false alarms.

On December 3, 2011 Fire Fighters responded to a car fire in close proximity to a residence at 118 N. 18th. Street Total dollar loss was \$1,000.00.

On December 3, 2011 Fire Fighters responded to an automatic fire alarm at Concorde Inn. at 2801 Court Street., Ladder 1 crew found electrical breaker box on fire. Fire crews and motel staff evacuated the entire east wing and relocated all quests into rooms in different building wings. Total dollar loss was \$3,000.00.

On December 7, 2011 Fire Fighters were called for a fire on the sharpel deck that keeps flaring up at 1301 S. Front Street. Aventine, Total dollar loss was \$2,000.00.

On December 8, 2011 Fire Fighters responded to a bedroom on fire at 1220 ½ Broadway Street. The resident dumped her ash tray into a wicker garbage can. Total dollar loss was \$5,000.00.

On December 21, 2011 Fire Fighters responded to a structure fire at 1414 Fenley. Owner went to the electrical panel in the basement and decided to swap out the 20A single pole breaker with a 40A double pole breaker to keep the circuit from tripping. . Total dollar loss was \$34,000.00.

On December 24, 2011 Fire Fighters responded to a structure fire at 1915 Market Street. Upon arrival found light smoke coming from the front of the duplex at 1915 Market. Fire was investigated and found an aluminum pot on the stove that the bottom had melted to the burner of the stove. Total dollar loss was \$35,000.00.

On December 27, 2011 Fire Fighters responded to a structure fire at #10 Washington Street Cause is believed to have been a large compressor in the storeroom. Total dollar loss was \$100,000.00

Total calls for the month of December were 336 and are as follows:

Fires	14
Rescue and EMS	250
Hazardous Conditions	8
Other types of calls	64

Total dollar loss for the month of December was \$180,000.00

Total calls for the month of November were 375 and are as follows:

Fires	16
Rescue and EMS	266
Hazardous Conditions	11
Other types of calls	87

Total dollar loss for the month of November was \$39,600.00.

This a brief overview of December 2011 and November 2011' events from the City of Pekin Fire Department. If you have any questions, please feel free to give me a call.

Respectfully Submitted,

Kurt R. Nelson
Fire Chief
Pekin Fire Department

Animal Counts Brought in by Wardens between December 1, 2011 and December 31, 201

City	Warden	Origin	PickUp Site	PickUp Dat	Species	Breed	Disposition	Days	Log #
Pekin									
	Hoyland	City	302 CAPRI	12/5/2011	Cat	DSH	E	2	120033
	HARMS	City	248 1/2 COOPER	12/2/2011	Dog	PIT	REL	13	120012
	Hoyland	City	6TH & DERBY	12/7/2011	Dog	SHEP MIX	E	9	120042
	WIKER	City	235 DERBY	12/3/2011	Other	RACCOON	E	0	120022
	Hoyland	City	1504 S 14TH	12/15/2011	Dog	POODLE	REL	12	120077
	Hoyland	City	15TH & HENRIETTA	12/22/2011	Dog	YORKIE MIX			120100
	Hoyland	City	1418 S 10TH	12/27/2011	Cat	DSH			120114
	Hoyland	City	DERBY & 14TH	12/27/2011	Dog	SHEP/PIT			120116
	HOMERI	City	1513 S 7TH	12/27/2011	Dog	LASO/CHOW	E	1	120105
	HOMERI	City	TAZEWELL RD	12/24/2011	Other	RACCOON	E	0	120104
	Hoyland	City	2028 WESTGATE #28	12/14/2011	Dog	PIT MIX	E	8	120073
	HOMERI	City	3112 SHERIDIAN RD	12/29/2011	Dog	LAB MIX			120123
	Hoyland	City	8TH & WILLOW	12/27/2011	Cat	DSH	E	0	120111
	HOMERI	City	1410 S 10TH	12/23/2011	Cat	DSH	E	7	120102
	HOMERI	City	1019 JANSSEN	12/23/2011	Other	OPPOSUM	REL	0	120103
	Hoyland	City	1709 COLUMBUS	12/19/2011	Cat	DSH	E	3	120088
	Hoyland	City	806 CHESTNUT	12/19/2011	Dog	LAB	R	0	120087
	HARMS	City	1114 S 7TH ST	12/17/2011	Other	SQUIRREL	REL	0	120084
	Hoyland	City	302 CAPRI	12/29/2011	Cat	DLH	E	1	120124
	Hoyland	City	SHERWOOD & MARKET	12/14/2011	Dog	PIT/LAB	R	1	120074
	HARMS	City	302 CAPRI	12/1/2011	Cat	DSH	E	6	120005
	Hoyland	City	302 CAPRI	12/9/2011	Cat	DLH	REL	7	120055

Total Dogs picked up in Pekin: 10

Total Cats picked up in Pekin: 8

Total Others picked up in Pekin: 4

Animal Counts Brought in by Individuals between December 1, 2011 and December 31, 20

City	In By	Origin	PickUp Site	PickUp Dat	Species	Breed	Disposition	Days	Log #
Pekin									
	Owner R	City	1411 LORETTA ST	12/6/2011	Dog	SHEP	E	1	120038
	Individua	City	103 EDD ST	12/6/2011	Cat	DSH	REL	9	120036
	Individua	City	103 EDD ST	12/6/2011	Cal	DSH	REL	9	120037
	Individua	City	342 CAROLINE ST	12/14/2011	Dog	YORKIE MIX	REL	16	120070
	Individua	City	342 CAROLINE ST	12/14/2011	Dog	YORKIE MIX	A	15	120071
	Owner R	City	1106 S 2ND ST	12/2/2011	Cat	DSH	E	5	120014
	Individua	City	803 N 4TH	12/1/2011	Cat	DSH	E	13	120003
	Owner R	City	1106 S 2ND ST	12/2/2011	Cat	DMH	E	12	120016
	Owner R	City	2251 BROOKDALE LANE	12/27/2011	Cat	DLH	E	1	120115
	Owner R	City	1411 LORETTA ST	12/6/2011	Dog	POM MIX	REL	1	120039
	Owner R	City	1100 S 14TH ST	12/12/2011	Cal	DSH/SIAMESE	REL	3	120061
	Owner R	City	1408 S 18TH	12/13/2011	Cal	DSH	REL	3	120068
	Owner R	City	1408 S 18TH	12/13/2011	Cal	DSH	REL	3	120069
	Owner R	City	1614 N PARKWAY APT 9	12/21/2011	Cat	DSH	E	1	120097
	Owner R	City	116 N 17TH	12/22/2011	Cat	DSH			120098
	Owner R	City	1106 S 2ND ST	12/2/2011	Cat	DSH	E	5	120015

Total Dogs picked up in Pekin: 4

Total Cats picked up in Pekin: 12

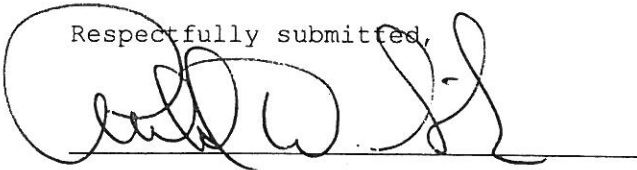
Total Others picked up in Pekin: 0

BUILDING DEPARTMENT REPORTS
INSPECTIONS & ZONING
December '2011

	PERMITS	VALUE	FEE
BUILDING DEPT	15	\$ 267,601.00	\$ 699.00
ELECTRIC DEPT	16	\$ 9,000.00	\$ 598.00
HVAC DEPT	20	\$ 94,298.00	\$ 710.00
PLUMBING DEPT	25		\$ 961.00
STORM SEWER PERMITS	0		\$.00
STORM WATER PERMITS	0		\$.00
SEWER PERMITS	8		\$ 440.00
SEWER TAP RES	0		\$.00
SEWER TAP COMM			\$.00
DEPARTMENT TOTAL	84	\$ 670,899.00	\$ 3,408.00

TOTAL CODE ENFORCEMENT COMPLAINTS - 72

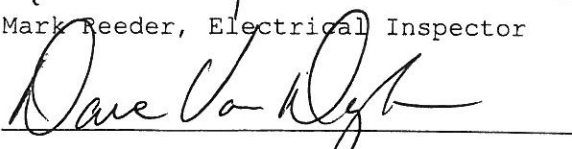
Respectfully submitted,



Ronald Sieh, Building Inspector



Mark Reeder, Electrical Inspector



Dave VanDyke, HVAC Inspector



Morris Sunkel, Plumbing & Sewer Inspector



Dave Shallenberger, Deputy Code Enforcement Officer

CITY OF PEKIN, ILLINOIS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2011

CITY OF PEKIN, ILLINOIS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2011

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CITY OF PEKIN, ILLINOIS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2011

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Pekin, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pekin, Illinois as of and for the year ended April 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Pekin, Illinois, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pekin, Illinois, as of April 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards", we have also issued our report dated November 28, 2011, on our consideration of the City of Pekin, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

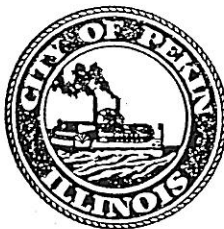
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 44 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pekin, Illinois' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Willock Warning & Co, PC

Willock Warning & Co., P.C.

November 28, 2011



City of Pekin

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEAR ENDED APRIL 30, 2011

As management of the City of Pekin, Illinois, we offer readers of these financial statements this narrative overview and analysis of the City of Pekin's financial position and activity as of the fiscal year ending April 30, 2011. Please read in conjunction with the City's financial statements, which follow this section.

THE STATEMENT OF NET ASSETS AND THE STATEMENT OF FUND ACTIVITIES

In reviewing the financial statements of the City, everyone wants to know if the City as a whole is better off this year than last year as a result of our fiscal activities. The financial statements tell the story of the condition of the City as a whole. The auditors have compiled all assets and liabilities using the accrual basis of accounting, which is similar with the accounting used by most private-sector companies.

In this report you will see the City's net assets and changes within them. You can think of the City's net assets as the difference between assets and liabilities, or as one way to measure the City's financial health and financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will, however, need to consider other non-financial factors, such as changes in the City's property tax base, the City's overall economic conditions, and the conditions of the City's infrastructure, to most accurately assess the overall health of the City.

FINANCIAL HIGHLIGHTS

The assets of the City of Pekin exceeded its liabilities as of April 30, 2011 by \$76,418,928. Of this amount, \$16,685,655 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets decreased by \$842,059 during the year ended April 30, 2011.

As of April 30, 2011, the City of Pekin's governmental funds reported combined ending fund balances of \$20,472,767, an increase of \$19,300 from the prior year. Approximately 71 percent of this total amount, \$14,612,308, represents unreserved fund balance.

As of April 30, 2011, unreserved undesignated fund balance for the General Fund was \$12,070,113 or 51 percent of total General Fund expenditures.

The City of Pekin's total long-term debt increased by \$7,519,901 during the year ended April 30, 2011.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Pekin's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements:

The government-wide financial statements are designed to provide readers with a broad overview of the City of Pekin's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City of Pekin's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguished functions of the City of Pekin that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Pekin include general government, economic development, public safety, public works and library services. The business-type activities of the City of Pekin include sewer, school bus and airport operations.

The government-wide financial statements include the City of Pekin and the Tazewell/Pekin Consolidated Communications Center (a discretely presented component unit). There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the City.

Fund financial statements:

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Pekin, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds:

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Pekin maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Library Fund and TIF 1 Central Business District which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided as required supplementary information for the General Fund to demonstrate compliance with this budget on page 44.

Proprietary funds:

The City of Pekin maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. As of April 30, 2011, the City of Pekin maintained four enterprise funds. Internal service funds are used to report the same functions presented as governmental-type activities in the government-wide financial statements. The City maintains two internal service funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the various funds. Data from the four enterprise funds and data from the two internal service funds are each combined into two aggregated presentations respectively.

Fiduciary funds:

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Pekin's own programs. The fiduciary funds of the City are pension trust funds. Total net assets of the fiduciary funds was \$41,062,482 as of April 30, 2011.

Notes to basic financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Pekin's progress in funding its obligation to provide pension benefits to its employees and the General Fund budgetary comparison.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the notes to basic financial statements and the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's total net assets have decreased from a year ago. The following chart reflects total net assets of \$76,418,928 which represents a decrease of \$842,059 from 2010.

Of the City of Pekin's net assets, as of April 30, 2011 and 2010, 62 percent and 65 percent reflects its investment in capital assets (e.g., land, construction-in-progress, land improvements, buildings and improvements, machinery and equipment and infrastructure), less any related debt used to acquire those assets that are still outstanding for both years. The City of Pekin uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF PEKIN'S STATEMENT OF NET ASSETS

	Governmental Activities <u>April 30, 2011</u>	Governmental Activities <u>April 30, 2010</u>	Business Type Activities <u>April 30, 2011</u>	Business Type Activities <u>April 30, 2010</u>	Total <u>April 30, 2011</u>	Total <u>April 30, 2010</u>
Current and other assets	\$ 21,586,007	\$ 24,318,103	\$ 7,541,509	\$ 6,273,150	\$ 29,127,516	\$ 30,591,253
Capital and other assets	<u>42,333,443</u>	<u>40,509,658</u>	<u>22,349,987</u>	<u>15,003,514</u>	<u>64,683,430</u>	<u>55,513,172</u>
Total assets	<u>63,919,450</u>	<u>64,827,761</u>	<u>29,891,496</u>	<u>21,276,664</u>	<u>93,810,946</u>	<u>86,104,425</u>
Current liabilities	7,112,704	6,634,169	938,816	98,672	8,051,520	6,732,841
Noncurrent liabilities	<u>2,515,498</u>	<u>2,110,597</u>	<u>6,825,000</u>	<u>-</u>	<u>9,340,498</u>	<u>2,110,597</u>
Total liabilities	<u>9,628,202</u>	<u>8,744,766</u>	<u>7,763,816</u>	<u>98,672</u>	<u>17,392,018</u>	<u>8,843,438</u>
Net assets:						
Invested in capital assets, net of related debt	38,199,411	37,623,311	9,061,300	12,764,096	47,260,711	50,387,407
Reserved/Restricted	8,757,088	5,610,754	3,715,474	-	12,472,562	5,610,754
Unrestricted	<u>7,334,749</u>	<u>12,848,930</u>	<u>9,350,906</u>	<u>8,413,896</u>	<u>16,685,655</u>	<u>21,262,826</u>
Total net assets	<u>\$ 54,291,248</u>	<u>\$ 56,082,995</u>	<u>\$ 22,127,680</u>	<u>\$ 21,177,992</u>	<u>\$ 76,418,928</u>	<u>\$ 77,260,987</u>

A reserved and/or restricted portion of the City's net assets (16 percent and 7 percent as of April 30, 2011 and 2010 respectively) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$16,685,655 for 2011 and \$21,262,826 for 2010 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Pekin is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The City's total net assets decreased by \$842,059 during the year ended April 30, 2011 compared to an increase of \$655,958 during the year ended April 30, 2010. The governmental-type activities net assets decreased by \$1,791,747 in 2011 and decreased by \$339,311 in 2010. The total business-type activities net assets increased by \$937,010 in 2011 and \$995,269 in 2010.

This second chart highlights the City's revenues and expenses for the years ended April 30, 2011 and 2010. This chart utilizes the full accrual method of accounting.

Revenue is divided into two major components: program revenue and general revenue. Program revenue is defined as charges for sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

CITY OF PEKIN'S STATEMENT OF ACTIVITIES

	Governmental Activities <u>April 30, 2011</u>	Governmental Activities <u>April 30, 2010</u>	Business Type Activities <u>April 30, 2011</u>	Business Type Activities <u>April 30, 2010</u>	Total <u>April 30, 2011</u>	Total <u>April 30, 2010</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,823,188	\$ 1,752,770	\$ 5,904,847	\$ 4,593,268	\$ 7,728,035	\$ 6,346,038
Operating grants and contributions	117,614	128,666	-	294,338	117,614	423,004
Capital grants and contributions	1,016,837	482,640	364,098	-	1,380,935	482,640
General revenues:						
Property taxes	6,285,849	6,261,174	-	-	6,285,849	6,261,174
Sales taxes	11,129,434	10,685,124	-	-	11,129,434	10,685,124
Other taxes	6,486,089	6,278,529	-	-	6,486,089	6,278,529
Franchise fees	497,548	563,409	-	-	497,548	563,409
Investment earnings	389,188	456,124	278,688	335,544	667,876	791,668
Miscellaneous	102,898	560,624	-	-	102,898	560,624
Transfers	147,247	131,808	(147,247)	(131,808)	-	-
Total revenues	<u>27,995,892</u>	<u>27,300,868</u>	<u>6,400,386</u>	<u>5,091,342</u>	<u>34,396,278</u>	<u>32,392,210</u>
Expenses:						
General government	2,405,411	2,146,142	-	-	2,405,411	2,146,142
Planning & development	129,962	114,786	-	-	129,962	114,786
Public safety	19,371,334	17,278,877	-	-	19,371,334	17,278,877
Public works	5,690,280	5,852,589	-	-	5,690,280	5,852,589
Library services	1,228,752	1,178,256	-	-	1,228,752	1,178,256
Debt service interest	128,549	170,632	-	-	128,549	170,632
Sanitation	2,314,128	2,202,996	-	-	2,314,128	2,202,996
Tourism	141,268	85,224	-	-	141,268	85,224
Improvements/donations	290,086	465,726	-	-	290,086	465,726
School bus	-	-	2,497,708	1,735,324	2,497,708	735,324
Sewerage	-	-	2,682,568	2,451,896	2,682,568	2,451,896
Other	-	-	432,069	406,048	432,069	406,048
Total expenses	<u>31,699,770</u>	<u>29,495,228</u>	<u>5,612,345</u>	<u>4,593,268</u>	<u>37,312,115</u>	<u>33,088,496</u>
Increase (decrease) in net assets	<u>\$ (3,703,878)</u>	<u>\$ (2,194,360)</u>	<u>\$ 788,041</u>	<u>\$ 498,074</u>	<u>\$ (2,915,837)</u>	<u>\$ (1,696,286)</u>

The chart below discloses cost of services for governmental activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Simply put, net costs are costs that must be covered by local taxes or other general revenues or transfers.

GOVERNMENTAL ACTIVITIES				
<u>Programs</u>	<u>Total Cost of Services April 30, 2011</u>	<u>Net Cost of Services April 30, 2011</u>	<u>Total Cost of Services April 30, 2010</u>	<u>Net Cost of Services April 30, 2010</u>
General government	\$ 2,405,411	\$ 2,336,638	\$ 2,146,142	\$ 2,066,457
Planning and development	129,962	26,205	114,786	114,786
Public safety	19,371,334	18,153,125	17,278,877	15,935,940
Public works	5,690,280	4,712,814	5,852,589	5,329,949
Library	1,228,752	1,149,903	1,178,256	1,074,502
Debt service interest	128,549	128,549	170,632	170,632
Sanitation	2,314,128	2,246,384	2,202,996	2,135,996
Tourism	141,268	141,268	85,224	85,224
Improvements/donations	290,086	(152,755)	465,726	217,666
Total	<u>\$ 31,699,770</u>	<u>\$ 28,742,131</u>	<u>\$ 29,495,228</u>	<u>\$ 27,131,152</u>

Net cost of services is 91 percent of total cost of services for the year ended April 30, 2011 compared to 92 percent for the year ended April 30, 2010. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

The following chart shows a comparison of the revenues received during the years ending April 30, 2011 and 2010.

CITY OF PEKIN GOVERNMENTAL ACTIVITIES REVENUE COMPARISON				
<u>Revenues</u>	<u>April 30, 2011</u>	<u>April 30, 2010</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Property tax	\$ 6,285,849	\$ 6,283,071	\$ 2,778	0.04%
Corporate replacement tax	1,398,073	1,125,851	272,222	24.18%
State income tax	2,620,092	2,611,283	8,809	0.34%
State sales/use tax	5,679,693	5,318,971	360,722	6.78%
Local sales tax	4,268,935	4,200,362	68,073	1.62%
Local food/beverage/liquor tax	1,091,291	1,070,266	21,025	1.96%
Telecommunications tax	1,062,391	1,102,798	(40,407)	-3.66%
Motor fuel taxes	1,405,533	1,416,700	(11,167)	-0.79%
Motel tax	89,515	95,025	(5,510)	-5.80%
Franchise fees	497,548	563,409	(65,861)	-11.69%
Interest on investments	389,188	456,124	(66,936)	-14.67%
Miscellaneous	102,898	560,624	(457,726)	-81.65%
Total	<u>\$ 24,891,006</u>	<u>\$ 24,804,484</u>	<u>\$ 86,022</u>	<u>0.35%</u>

Total business-type activities revenue for the years ended April 30, 2011 and 2010 was \$6,036,288 and \$5,091,342 respectively. All but \$131,441 for 2011 and \$203,736 for 2010 of this revenue was generated for specific business-type activity expenses. Business-type activities increased the City of Pekin's net assets by \$788,041, accounting for 100 percent of the growth in the government's net assets in the year ended April 30, 2011 compared to \$995,269 and 100 percent for the year ended April 30, 2010.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Pekin uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

The focus of the City of Pekin's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of April 30, 2011, the City of Pekin's governmental funds reported combined ending fund balances of \$20,472,767, an increase of \$19,300 from April 30, 2010. Approximately 71 percent of this total amount, \$14,612,308, constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate it is not available for new spending because it has already been committed.

As of April 30, 2010, the City's governmental funds reported combined ending fund balances of \$20,453,467, a decrease of \$664,567 from April 30, 2009. Approximately 85 percent of this total amount, \$17,450,707, constituted unreserved fund balance.

The General Fund is the chief operating fund of the City. The unreserved fund balance of the General Fund was \$12,070,113 for 2011 and \$20,124,861 for 2010. In 2011, the General Fund absorbed deficit fund balances from the former Sanitation Fund (\$7,280,491) and the Municipal Bus Fund (\$161,647). As a measure of the General Fund's liquidity, it may be useful to compare the unreserved fund balance to fund expenditure. For 2011, unreserved fund balance represents 51 percent of total General Fund expenditures. For 2010, unreserved fund balance represents 98 percent of total General Fund expenditures.

The fund balance of the City's General Fund decreased \$122,147 for 2011 and increased \$1,447,929 for 2010. The key factor in the decrease in 2011 has been the inclusion of sanitation operations as a department of the General Fund rather than reporting its operations as a separate governmental fund. The Library and TIF Central Business District Funds both experienced increases in fund balance in 2011. The fund balance of the Library Fund increased by \$42,351 in 2011 and decreased by \$43,654 in 2010. The fund balance of the TIF Central Business District Fund increased by \$594,703 in 2011 and \$529,625 in 2010. The fund balances for the Nonmajor Governmental Funds show decreases amounting to \$73,960 in 2011 and \$710,038 in 2010.

Proprietary funds:

The City of Pekin's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Unrestricted net assets of the Sewerage Fund, the largest fund in this category, were \$5,148,187 as of April 30, 2011 and \$4,541,479 as of April 30, 2010 amounting to an increase in unrestricted net assets of \$606,708. The unrestricted net assets for all other enterprise funds amounted to \$4,202,719 as of April 30, 2011 compared to \$3,872,417 as of April 30, 2010, an increase of \$330,302.

GENERAL FUND BUDGET FUND COMPARISON

<u>Program</u>	<u>April 30, 2011</u>	<u>April 30, 2010</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
General government	\$ 978,260	\$ 932,142	\$ 46,118	4.95%
Legal services	319,500	324,000	(4,500)	-1.39%
City clerk	114,840	112,802	2,038	1.81%
Finance/treasurer	251,187	307,955	(56,768)	-18.43%
Personnel	141,288	130,500	10,788	8.27%
Information technology	381,526	269,657	111,869	41.49%
Streets	2,015,156	2,084,744	(69,588)	-3.34%
Police	8,066,514	7,927,878	138,636	1.75%
Fire	7,871,628	7,527,662	343,966	4.57%
Public works	274,371	300,314	(25,943)	-8.64%
Zoning and inspection	514,302	635,879	(121,577)	-19.12%
Public land and buildings	730,370	892,741	(162,371)	-18.19%
Sanitation	1,772,901	1,931,765	(158,864)	-8.22%
Total general fund budget	<u>\$ 23,431,843</u>	<u>\$ 23,378,039</u>	<u>\$ 53,804</u>	<u>0.23%</u>

The above chart shows the difference in the general fund budget from the 2011 fiscal year and the 2010 fiscal year. As more fully explained in Schedule 5, pages 49 through 52, actual expenditures exceeded the budget by \$214,746. April 30, 2010 actual expenditures were less than the budget by \$898,092.

Capital Assets

The City of Pekin's investment in capital assets for its government and business-type activities as of April 30, 2011 and 2010 amounted to \$56,481,308 and \$53,273,754, respectively (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, land improvements, buildings, construction in progress, machinery and equipment, vehicles and library books. The total increase in capital assets for the year ended April 30, 2011 was 6 percent and for the year ended April 30, 2010 the increase was 4 percent.

Major capital expenditures during the year ended April 30, 2011 included:

- Construction in Progress - Sewerage (\$3,394,500)
- Infrastructure - Hanna Drive/Veterans Drive extension (\$471,819)
- Machinery and Equipment - Library (\$85,800), Fire (\$44,700), IT (\$56,100), School Bus (\$38,800)
- Vehicles - Police (\$98,000), Fire (\$202,600), Street (\$120,300), Fire (\$44,700), School Bus (\$679,500)

During the year ended April 30, 2011, the construction in progress costs exceeded 5% of the total capital assets owned.

CITY OF PEKIN'S CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	<u>April 30, 2011</u>	<u>April 30, 2010</u>	<u>April 30, 2011</u>	<u>April 30, 2010</u>	<u>April 30, 2011</u>	<u>April 30, 2010</u>
Land	\$ 12,368,365	\$ 12,363,965	\$ 249,833	\$ 249,883	\$ 12,618,248	\$ 12,613,798
Construction in progress	-	-	3,394,526	-	3,394,526	-
Total nondepreciable assets	<u>12,368,365</u>	<u>12,363,965</u>	<u>3,644,359</u>	<u>249,883</u>	<u>16,012,774</u>	<u>12,613,798</u>
Buildings	11,318,301	11,285,665	889,582	841,710	12,207,883	12,127,375
Infrastructure	19,049,239	18,534,737	-	-	19,049,239	18,534,737
Land improvements	-	-	770,604	759,419	770,604	759,419
Machinery & equipment	3,811,987	3,607,166	21,461,290	21,461,290	25,273,277	25,068,456
Vehicles	9,081,823	8,660,794	3,044,837	2,326,451	12,126,660	10,987,245
Library books	1,885,596	1,780,357	-	-	1,885,596	1,780,357
Total depreciable assets	<u>45,146,946</u>	<u>43,868,719</u>	<u>26,166,313</u>	<u>25,388,870</u>	<u>71,313,259</u>	<u>69,257,589</u>
Accumulated depreciation	<u>(17,266,271)</u>	<u>(15,723,026)</u>	<u>(13,639,422)</u>	<u>(12,874,607)</u>	<u>(30,905,693)</u>	<u>(28,597,633)</u>
Net depreciable assets	<u>27,880,675</u>	<u>28,145,693</u>	<u>12,526,891</u>	<u>12,514,263</u>	<u>40,407,566</u>	<u>40,659,956</u>
Total capital assets	<u>\$ 40,249,040</u>	<u>\$ 40,509,658</u>	<u>\$ 16,171,300</u>	<u>\$ 12,764,096</u>	<u>\$ 56,420,340</u>	<u>\$ 53,273,754</u>

Additional information on the City of Pekin's capital assets can be found in Note 3 of this report.

DEBT

The City of Pekin had long-term outstanding debt of \$9,220,597 as of April 30, 2011. This debt is comprised of general obligation bonds. For more details see Note 6 of this report.

CITY OF PEKIN LONG-TERM DEBT

	Balance <u>April 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>April 30, 2011</u>
Governmental Activities:				
General obligation bonds	<u>\$ 2,886,347</u>	<u>\$ 7,110,000</u>	<u>\$ (775,750)</u>	<u>\$ 9,220,597</u>

The City of Pekin maintains "AA-" rating from Standard and Poor's.

As a home rule entity under the Illinois Constitution, the City does not have a legal debt limit. Total outstanding debt is \$275 per resident.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials continue to deal with matching limited resources and the requisite City services. The administration will be challenged to find opportunities to control expenses in this economic climate, and find even more efficient ways of delivering services to its constituents.

Assessed property values have declined \$5 million from 2010 to 2011 which should place a higher tax burden on many City residents especially when combined with increases enacted by other taxing bodies.

Health care and personnel costs, which make up a significant portion of the City's operating costs, continue to rise. The addition of new employees has only resulted through attrition of existing employees. A significant portion of the City's workforce is covered by three unions whose contracts expire for the most part in April, 2014. Health insurance coverage is provided by one carrier with rates fixed through September, 2012.

The City's sewer system has been undergoing a prolonged major renovation. Phase 1 of the multi-year project was approaching completion and was financed by a \$7.1 million general obligation bond issued in September, 2010. Phase II which is spread out over the next three years is estimated to cost an additional \$40 million. The borrowings to accomplish both phases of the improvements will be repaid from user fees. A Phase III is also in the planning stages.

Additional major construction projects that should begin in the next two years include the extension of Veteran's Drive north from Broadway Road to Sheridan Drive. Following that project will be the much larger extension south from Court Street to Route 29 along with significant upgrades to Court Street. These projects will be largely funded by Federal and State grants and are expected to cost an estimated \$35 million.

As with any year, a number of new businesses have opened. The most significant additions were the opening of the Big R store in the recently vacated Sears location on Court Street as well as a new bank facility on Veterans Drive opened by South Side Bank of Peoria.

Requests for Information

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the City's finances and to show the City's accountability for the public dollars entrusted to it. If you have any questions about this report or need additional financial information, please contact the Finance Department, City of Pekin, 111 South Capitol Street, Pekin, Illinois 61554.

CITY OF PEKIN, ILLINOIS
STATEMENT OF NET ASSETS
APRIL 30, 2011

	Primary Government			
	Governmental	Business-type		Component
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Unit</u>
ASSETS				
Current assets:				
Cash	\$ 11,901,681	\$ 5,963,979	\$ 17,865,660	\$ 284,959
Investments	2,041,540	480,267	2,521,807	-
Receivables:				
Taxes	6,446,713	-	6,446,713	-
Accounts and other	863,882	1,049,624	1,913,506	-
Accrued interest	7,644	-	7,644	-
Inventories	94,084	47,639	141,723	-
Prepaid items	230,463	-	230,463	-
Total current assets	<u>21,586,007</u>	<u>7,541,509</u>	<u>29,127,516</u>	<u>284,959</u>
Noncurrent assets:				
Capital assets:				
Land and improvements	12,368,365	1,020,487	13,388,852	-
Construction in progress	-	3,394,526	3,394,526	-
Other capital assets, net of accumulated depreciation	<u>27,941,643</u>	<u>11,756,287</u>	<u>39,697,930</u>	<u>185,346</u>
Total capital assets, net of depreciation	40,310,008	16,171,300	56,481,308	185,346
Restricted cash	-	3,715,474	3,715,474	-
Loans receivable	<u>2,023,435</u>	<u>2,463,213</u>	<u>4,486,648</u>	<u>-</u>
Total noncurrent assets	<u>42,333,443</u>	<u>22,349,987</u>	<u>64,683,430</u>	<u>185,346</u>
Total assets	<u>\$63,919,450</u>	<u>\$ 29,891,496</u>	<u>\$ 93,810,946</u>	<u>\$ 470,305</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF NET ASSETS
APRIL 30, 2011

	Primary Government			
	Governmental	Business-type		Component
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Unit</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	\$ 970,727	\$ 602,775	\$ 1,573,502	\$ 76,930
Compensated absences	2,570,243	-	2,570,243	-
Accrued interest payable	21,842	51,041	72,883	-
Deferred revenue, property taxes	2,769,142	-	2,769,142	184,826
Current portion of noncurrent liabilities	<u>780,750</u>	<u>285,000</u>	<u>1,065,750</u>	<u>-</u>
Total current liabilities	<u>7,112,704</u>	<u>938,816</u>	<u>8,051,520</u>	<u>261,756</u>
Noncurrent liabilities:				
General obligation bonds payable, noncurrent portion	1,329,847	6,825,000	8,154,847	-
Other pension benefits	<u>1,185,651</u>	<u>-</u>	<u>1,185,651</u>	<u>-</u>
Total noncurrent liabilities	<u>2,515,498</u>	<u>6,825,000</u>	<u>9,340,498</u>	<u>-</u>
Total liabilities	<u>9,628,202</u>	<u>7,763,816</u>	<u>17,392,018</u>	<u>261,756</u>
Net assets				
Invested in capital assets, net of related debt	38,199,411	9,061,300	47,260,711	185,346
Reserved for debt service	894,132	-	894,132	-
Reserved for noncurrent receivables	1,906,651	-	1,906,651	-
Reserved for prepaid items	230,463	-	230,463	-
Restricted for:				
Capital development	2,829,213	3,715,474	6,544,687	-
Highways and streets	2,630,514	-	2,630,514	-
Library services	266,115	-	266,115	-
Unrestricted (deficit)	<u>7,334,749</u>	<u>9,350,906</u>	<u>16,685,655</u>	<u>23,203</u>
Total net assets	<u>54,291,248</u>	<u>22,127,680</u>	<u>76,418,928</u>	<u>208,549</u>
Total liabilities and net assets	<u>\$ 63,919,450</u>	<u>\$ 29,891,496</u>	<u>\$ 93,810,946</u>	<u>\$ 470,305</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2011

Functions/Programs: Primary Government	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services		Primary Government		Component Unit
		Operating Grants and Contributions	Capital Grants and Contributions	Activities	Business-type Activities	Total
Governmental activities:						
General government	\$ 2,405,411	\$ 68,773	\$ -	\$ (2,336,638)	\$ -	\$ (2,336,638)
Public safety	19,371,334	1,204,079	-	(18,153,125)	-	(18,153,125)
Public lands	1,230,781	195,219	537	(1,035,025)	-	(1,035,025)
Zoning	607,791	216,093	-	(391,698)	-	(391,698)
Public works	373,484	9	-	(373,475)	-	(373,475)
Streets	3,478,224	95,369	-	(2,912,616)	-	(2,912,616)
Sanitation	2,314,128	744	470,239	(2,246,384)	-	(2,246,384)
Planning and development	129,962	-	-	(26,205)	-	(26,205)
Library services	1,228,752	42,902	103,757	(1,149,903)	-	(1,149,903)
Tourism	141,268	-	-	(141,268)	-	(141,268)
Residential and public improvements/donations	290,086	-	442,841	152,755	-	152,755
Interest on long-term debt	128,549	-	-	(128,549)	-	(128,549)
Total governmental activities (Note 3)	31,699,770	1,823,188	1,016,837	(28,742,131)	-	(28,742,131)
Business-type activities:						
School bus	2,497,708	3,237,585	-	-	739,877	739,877
Sewerage	2,682,568	2,433,420	-	-	8,218	8,218
Other	432,069	233,842	-	-	(91,495)	(91,495)
Total business-type activities	5,612,345	5,904,847	364,098	-	656,600	656,600
Total primary government	\$ 37,312,115	\$ 7,728,035	\$ 1,380,935	(28,742,131)	(28,085,531)	(28,085,531)
Component unit:						
TPCCC	\$ 1,472,253	\$ 1,439,794	\$ 15,363	-	-	(17,096)
General revenues:						
Taxes:						
Property taxes				6,285,849	-	6,285,849
Income taxes				2,620,092	-	2,620,092
Sales taxes				11,129,434	-	11,129,434
Other taxes				3,865,997	-	3,865,997
Franchise fees				497,548	-	497,548
Investment earnings				389,188	278,688	667,876
Other				102,898	-	102,898
Transfers				147,247	(147,247)	-
Total general revenues and transfers				25,038,253	131,441	25,169,694
Changes in net assets				(3,703,878)	788,041	(2,915,837)
Net assets, beginning of year				56,082,995	21,177,992	77,260,987
Adjustment to net assets				1,912,131	161,647	2,073,778
Net assets, end of year				\$ 54,291,248	\$ 22,127,680	\$ 76,418,928
						\$ 208,549

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2011

	General Fund	Library Fund	TIF 1 Central Business District	Nonmajor Governmental Funds	Total
ASSETS					
Cash	\$ 7,109,409	\$ 12,455	\$ 3,300,211	\$ 2,728,345	\$ 13,150,420
Investments	1,400,000	641,540	-	-	2,041,540
Due from other funds	1,200	23,008	-	-	24,208
Receivables:					
Property taxes	1,256,007	1,048,325	-	-	2,304,332
Accounts, fees, grants, and other taxes	4,594,194	34,647	64,801	306,765	5,000,407
Loans	-	-	54,953	1,968,482	2,023,435
Prepaid items	230,463	-	-	-	230,463
Total assets	<u>\$ 14,591,273</u>	<u>\$ 1,759,975</u>	<u>\$ 3,419,965</u>	<u>\$ 5,003,592</u>	<u>\$ 24,774,805</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Cash overdraft	\$ -	\$ -	\$ -	\$ 707,334	\$ 707,334
Accounts payable	118,124	7,400	-	13,535	139,059
Accrued wages	516,857	27,405	-	6,582	550,844
Due to other funds	117,678	-	1,200	-	118,878
Other liabilities	16,781	-	-	-	16,781
Deferred revenues	1,521,257	1,048,325	-	199,560	2,769,142
Total liabilities	<u>2,290,697</u>	<u>1,083,130</u>	<u>1,200</u>	<u>927,011</u>	<u>4,302,038</u>
Fund Balances:					
Reserved for debt service	-	-	894,132	-	894,132
Reserved for capital development	-	359,533	2,469,680	-	2,829,213
Reserved for noncurrent receivables	-	-	54,953	-	54,953
Reserved for prepaid items	230,463	-	-	1,851,698	1,906,651
Unreserved, designated	-	266,115	-	-	266,115
Unreserved, undesignated reported in:					
General fund	12,070,113	-	-	-	12,070,113
Special revenue funds	-	51,197	-	2,224,883	2,276,080
Total fund balances	<u>12,300,576</u>	<u>676,845</u>	<u>3,418,765</u>	<u>4,076,581</u>	<u>20,297,257</u>
Total liabilities and fund balances	<u>\$ 14,591,273</u>	<u>\$ 1,759,975</u>	<u>\$ 3,419,965</u>	<u>\$ 5,003,592</u>	<u>\$ 24,774,805</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
APRIL 30, 2011

Total governmental fund balances \$ 20,472,767

Amounts reported for governmental activities in the statement of
net assets are different because:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds. 40,310,008

Internal service funds are used by management to charge the costs
of certain activities, such as vehicle maintenance and insurance, to
individual funds. The assets and liabilities of the internal service funds
are included in governmental activities in the statement of net assets. (705,508)

Accrued interest receivable is not a financial resource and, therefore, not
reported in the funds 7,644

Liabilities, including bonds payable, are not payable in the current period
and therefore are not reported in the funds:

General obligation bonds payable	(2,110,597)
Compensated absences	(2,570,243)
Accrued interest payable	(21,842)
Other pension benefits	(1,185,651)

Differences between interfund borrowings involving fiduciary funds are
not reported in the funds 94,670

Net assets of governmental activities \$ 54,291,248

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED APRIL 30, 2011

	General Fund	Library Fund	TIF 1 Central Business District	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	\$ 20,459,196	\$ 1,132,216	\$1,089,418	\$ 1,220,542	\$ 23,901,372
Licenses and permits	200,997	-	-	-	200,997
Intergovernmental	389,722	35,947	-	708,782	1,134,451
Fees and charges for services	1,223,224	42,902	-	36,311	1,302,437
Fines and collections	633,763	-	-	-	633,763
Investment earnings	238,302	3,673	24,928	114,641	381,544
Reimbursements and restitutions	183,539	-	-	-	183,539
Other revenues	48,452	40,725	-	13,721	102,898
Total revenues	<u>23,377,195</u>	<u>1,255,463</u>	<u>1,114,346</u>	<u>2,093,997</u>	<u>27,841,001</u>
Expenditures:					
Current:					
General government/administrative	1,562,588	-	13,601	176,165	1,752,354
Public safety	15,658,256	-	-	-	15,658,256
Public lands and buildings	872,608	-	-	-	872,608
Zoning and inspection	519,373	-	-	-	519,373
Public works	298,627	-	-	-	298,627
Highways and streets	1,725,865	-	-	857,035	2,582,900
Sanitation	1,863,561	-	-	-	1,863,561
Planning and development	-	-	98,737	507,444	606,181
Library services	-	1,105,317	-	-	1,105,317
Tourism	-	-	-	141,268	141,268
Residential and public improvements/donations	-	-	-	290,086	290,086
Capital outlay	670,559	107,795	-	-	778,354
Debt service:					
Principal	411,537	-	364,213	-	775,750
Interest	63,615	-	43,092	-	106,707
Total expenditures	<u>23,646,589</u>	<u>1,213,112</u>	<u>519,643</u>	<u>1,971,998</u>	<u>27,351,342</u>
Excess (deficiency) of revenues over expenditures	(269,394)	42,351	594,703	121,999	489,659
Other finances sources:					
Transfers in	147,247	-	-	-	147,247
Net change in fund balances	<u>(122,147)</u>	<u>42,351</u>	<u>594,703</u>	<u>121,999</u>	<u>636,906</u>
Fund balances, beginning of year	20,124,861	634,494	2,824,062	(3,129,950)	20,453,467
Correction of beginning fund balance	(260,000)	-	-	(195,959)	(455,959)
Transfer of deficit from Municipal Bus Fund	(161,647)	-	-	-	(161,647)
Transfer of deficit from Sanitation Fund	(7,280,491)	-	-	7,280,491	-
Fund balances, end of year	<u>\$ 12,300,576</u>	<u>\$ 676,845</u>	<u>\$3,418,765</u>	<u>\$ 4,076,581</u>	<u>\$ 20,472,767</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2011

Net change in fund balances-governmental funds \$ 636,906

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$1,543,245) exceeded capital outlays (\$1,313,534) in the current period. (229,711)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated absences (2,570,243)
Post employment benefits (1,185,651)

The repayment of bond principal is a financing use in the governmental funds but reduces the long-term liabilities in the statement of net assets. Also, in the statement of activities, interest is accrued on outstanding bonds whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Repayment of bond principal 775,750
Interest (21,842)

Interest receivables related to governmental fund investments are reported in the statement of net assets at the time they are earned without regard to the date of receipt by the City. 7,644

Internal service funds are used by management to charge the costs of certain activities, such as vehicle maintenance and insurance, to individual funds. The net loss of the internal service funds is reported with governmental activities. (1,116,731)

Change in net assets of governmental activities \$ (3,703,878)

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
APRIL 30, 2011

	<u>Business-type Activities-Enterprise Funds</u>				<u>Governmental Activities</u>
	<u>School</u>	<u>Sewerage</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Internal</u>
	<u>Bus</u>	<u>Fund</u>	<u>Enterprise</u>	<u>Enterprise</u>	<u>Service</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,615,472	\$ 4,967,211	\$ -	\$ 6,582,683	\$ -
Investments	-	480,267	-	480,267	-
Accounts receivable	647,167	272,162	23,563	942,892	5,856
Intergovernmental receivable	-	-	106,732	106,732	-
Fuel and parts inventory, at cost	-	-	47,639	47,639	94,084
Total current assets	<u>2,262,639</u>	<u>5,719,640</u>	<u>177,934</u>	<u>8,160,213</u>	<u>99,940</u>
Noncurrent assets:					
Restricted cash	-	3,715,474	-	3,715,474	-
Loans receivable	-	-	2,463,213	2,463,213	-
Capital assets:					
Land and improvements	-	73,000	947,487	1,020,487	-
Buildings	95,306	-	794,276	889,582	-
Equipment	-	21,422,967	38,323	21,461,290	73,521
Vehicles	3,044,837	-	-	3,044,837	-
Construction in progress	-	3,394,526	-	3,394,526	-
Less accumulated depreciation	<u>(1,962,524)</u>	<u>(10,490,722)</u>	<u>(1,186,176)</u>	<u>(13,639,422)</u>	<u>(46,460)</u>
Total capital assets (net of accumulated depreciation)	<u>1,177,619</u>	<u>14,399,771</u>	<u>593,910</u>	<u>16,171,300</u>	<u>30,061</u>
Total noncurrent assets	<u>1,177,619</u>	<u>18,115,245</u>	<u>3,057,123</u>	<u>22,349,987</u>	<u>30,061</u>
Total assets	<u>\$3,440,258</u>	<u>\$ 23,834,885</u>	<u>\$3,235,057</u>	<u>\$30,510,200</u>	<u>\$ 130,001</u>
LIABILITIES AND NET ASSETS					
Current liabilities:					
Cash overdraft	\$ -	\$ -	\$ 618,704	\$ 618,704	\$ 541,405
Accounts payable	352	494,846	1,747	496,945	87,960
Accrued wages	71,698	25,566	8,566	105,830	23,386
Other liabilities	-	-	-	-	152,697
Accrued interest	-	51,041	-	51,041	-
General obligation bonds-current	-	285,000	-	285,000	-
Total current liabilities	<u>72,050</u>	<u>856,453</u>	<u>629,017</u>	<u>1,557,520</u>	<u>805,448</u>
Noncurrent					
General obligation bonds payable	-	6,825,000	-	6,825,000	-
Total liabilities	<u>72,050</u>	<u>7,681,453</u>	<u>629,017</u>	<u>8,382,520</u>	<u>805,448</u>
Net assets:					
Invested in capital assets, net of related debt	1,177,619	7,289,771	593,910	9,061,300	30,061
Restricted for capital construction	-	3,715,474	-	3,715,474	-
Unrestricted (deficit)	<u>2,190,589</u>	<u>5,148,187</u>	<u>2,012,130</u>	<u>9,350,906</u>	<u>(705,508)</u>
Total net assets	<u>3,368,208</u>	<u>16,153,432</u>	<u>2,606,040</u>	<u>22,127,680</u>	<u>(675,447)</u>
Total liabilities and net assets	<u>\$3,440,258</u>	<u>\$ 23,834,885</u>	<u>\$3,235,057</u>	<u>\$30,510,200</u>	<u>\$ 130,001</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED APRIL 30, 2011

	<u>Business-type Activities-Enterprise Funds</u>				<u>Governmental Activities</u>
	<u>School Bus Fund</u>	<u>Sewerage Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Operating revenues, charges for services	<u>\$ 3,237,585</u>	<u>\$ 2,433,420</u>	<u>\$ 233,842</u>	<u>\$ 5,904,847</u>	<u>\$ 4,618,983</u>
Operating expenses:					
Personal services	1,509,553	515,360	138,290	2,163,203	431,926
Supplies	5,641	918	1,239	7,798	-
Cost of fuel and parts sold	-	-	-	-	1,051,918
Insurance claims and premiums paid	-	-	-	-	3,865,475
Other services and charges	834,668	1,431,524	269,869	2,536,061	387,113
Depreciation	<u>147,846</u>	<u>594,248</u>	<u>22,671</u>	<u>764,765</u>	<u>6,792</u>
Total operating expenses	<u>2,497,708</u>	<u>2,542,050</u>	<u>432,069</u>	<u>5,471,827</u>	<u>5,743,224</u>
Operating income (loss)	<u>729,877</u>	<u>(108,630)</u>	<u>(198,227)</u>	<u>433,020</u>	<u>(1,124,241)</u>
Nonoperating revenues (expenses):					
Grants	-	257,366	106,732	364,098	-
Investment earnings	19,027	118,890	140,771	278,688	7,510
Interest expense	<u>-</u>	<u>(140,518)</u>	<u>-</u>	<u>(140,518)</u>	<u>-</u>
Total nonoperating revenues	<u>19,027</u>	<u>235,738</u>	<u>247,503</u>	<u>502,268</u>	<u>7,510</u>
Income (loss) before transfers	<u>758,904</u>	<u>127,108</u>	<u>49,276</u>	<u>935,288</u>	<u>(1,116,731)</u>
Transfers out	<u>(32,599)</u>	<u>(114,648)</u>	<u>-</u>	<u>(147,247)</u>	<u>-</u>
Change in net assets	<u>726,305</u>	<u>12,460</u>	<u>49,276</u>	<u>788,041</u>	<u>(1,116,731)</u>
Total net assets, beginning of year	2,641,903	16,140,972	2,395,117	21,177,992	441,284
Transfer of deficit to General Fund	<u>-</u>	<u>-</u>	<u>161,647</u>	<u>161,647</u>	<u>-</u>
Total net assets, end of year	<u>\$ 3,368,208</u>	<u>\$ 16,153,432</u>	<u>\$ 2,606,040</u>	<u>\$ 22,127,680</u>	<u>\$ (675,447)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2011

	<u>Business-type Activities-Enterprise Funds</u>			<u>Governmental Activities</u>	
	<u>School Bus Fund</u>	<u>Sewerage Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Cash flows from operating activities:					
Receipts from services	\$ 2,784,046	\$ 2,406,000	\$ 243,725	\$ 5,433,771	\$ 4,622,602
Payments for personal services	(1,475,099)	(518,082)	(136,544)	(2,129,725)	(425,108)
Payments to vendors and suppliers	(849,123)	(953,466)	(314,509)	(2,117,098)	(5,483,891)
Net cash provided (used) by operating activities	<u>459,824</u>	<u>934,452</u>	<u>(207,328)</u>	<u>1,186,948</u>	<u>(1,286,397)</u>
Cash flows from noncapital financing activities:					
Grant receipts	-	257,366	-	257,366	-
Transfers to other funds	(32,599)	(114,648)	-	(147,247)	-
Transfer of net deficit to General Fund	-	-	161,647	161,647	-
Net cash provided (used) by noncapital financing activities	<u>(32,599)</u>	<u>142,718</u>	<u>161,647</u>	<u>271,766</u>	<u>-</u>
Cash flows from capital related activities:					
Proceeds from capital debt issuance	-	7,110,000	-	7,110,000	-
Purchase of capital assets	(763,692)	(3,394,526)	(13,751)	(4,171,969)	(5,945)
Interest paid on capital debt	-	(89,477)	-	(89,477)	-
Net cash provided (used) by capital related activities	<u>(763,692)</u>	<u>3,625,997</u>	<u>(13,751)</u>	<u>2,848,554</u>	<u>(5,945)</u>
Cash flows from investing activities:					
Redemption of investments	1,000,000	1,759,733	-	2,759,733	9,460
Net loans issued	-	-	(223,795)	(223,795)	-
Interest income	19,027	118,890	140,771	278,688	7,510
Net cash provided (used) by investing activities	<u>1,019,027</u>	<u>1,878,623</u>	<u>(83,024)</u>	<u>2,814,626</u>	<u>16,970</u>
Net increase (decrease) in cash	682,560	6,581,790	(142,456)	7,121,894	(1,275,372)
Cash (overdraft) balance, beginning of year	<u>932,912</u>	<u>2,100,895</u>	<u>(476,248)</u>	<u>2,557,559</u>	<u>733,967</u>
Cash (overdraft) balance, end of year (including \$3,715,474 reported in restricted accounts)	<u>\$ 1,615,472</u>	<u>\$ 8,682,685</u>	<u>\$ (618,704)</u>	<u>\$ (9,679,453)</u>	<u>\$ (541,405)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2011

	School Bus Fund	Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 739,877	\$ (108,630)	\$ (198,227)	\$ 433,020	\$ (1,124,241)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:					
Depreciation	147,846	594,248	22,671	764,765	6,792
Changes in assets and liabilities:					
(Increase) decrease in receivables	(453,539)	(27,420)	9,883	(471,076)	3,619
(Increase) decrease in inventories	-	-	(43,864)	(43,864)	60,629
Increase (decrease) in accounts payable	(8,814)	478,976	463	470,625	(174,613)
Increase (decrease) in accrued wages	34,454	(2,722)	1,746	33,478	6,818
Decrease in other liabilities	-	-	-	-	(65,401)
Net cash provided (used) by operating activities	<u>\$ 459,824</u>	<u>\$ 934,452</u>	<u>\$ (207,328)</u>	<u>\$ 1,186,948</u>	<u>\$ (1,286,397)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
APRIL 30, 2011

	Pension <u>Trust Funds</u>	Accounts Payable/Payroll Imprest <u>Agency Funds</u>
ASSETS		
Cash	\$ 85,333	\$ 677,544
Investments, at market value:		
Money market accounts	763,368	-
Certificates of deposit	450,000	-
U.S. Government and Agency obligations	17,181,978	-
Equity funds	3,248,494	-
Equity mutual funds	19,238,664	-
Due from other funds	94,670	-
Total assets	<u>\$ 41,062,507</u>	<u>\$ 677,544</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 25	\$ -
Payroll taxes	-	177,786
Undistributed assets	-	499,758
Total liabilities	<u>25</u>	<u>677,544</u>
Net assets:		
Held in trust for pension benefits	41,062,482	-
Total liabilities and net assets	<u>\$ 41,062,507</u>	<u>\$ 677,544</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2011

	Pension Trust Funds
<u>ADDITIONS:</u>	
Contributions:	
Employer	\$ 3,607,123
Plan members	<u>676,173</u>
Total contributions	<u>4,283,296</u>
Investment income:	
Realized gains on investment sales and net appreciation in fair market value of investments	3,017,486
Interest/dividends	<u>1,063,144</u>
Total investment income	4,080,630
Less investment expenses	<u>(127,481)</u>
Net investment income	<u>3,953,149</u>
Total additions	<u>8,236,445</u>
<u>DEDUCTIONS:</u>	
Benefits	4,313,552
Administrative expenses	<u>44,139</u>
Total deductions	<u>4,357,691</u>
Change in net assets	3,878,754
Net assets, beginning of year	<u>37,183,728</u>
Net assets, end of year	<u>\$ 41,062,482</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Pekin (the "City") is a municipal corporation governed by an elected mayor and six-member council. It operates under the City Manager form of government.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for governmental agencies through its pronouncements (Statements and Interpretations). Governmental agencies are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, 'Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments'. Some of the significant changes in the Statement include the following:

(1) The financial statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the City's activities.

(2) A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

B. Financial Reporting Entity

As required by accounting principles generally accepted in the United States, these financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. A discreet component unit is reported in a separate column in the government-wide statements to emphasize it is legally separate from the City.

Discreet Component Unit-The Tazewell/Pekin Consolidated Communications Center (TPCCC) provides police and fire communication services to the City as well as Tazewell County and other communities within the county. The governing board includes the City's mayor and chief of police. The City provides the majority of funding and provides office space and accounting services to TPCCC. Complete financial statements for TPCCC may be obtained at it's administrative office.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 1 - continued

C. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. While the previous reporting model emphasized fund types (the total of all funds of a particular type), in the new reporting model the focus is on either the City as a whole or major individual funds (within the fund financial statements). The focus is on both the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by fund type) and the component unit. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

The government-wide Statement of Activities reflects both the gross and net cost per functional category that are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function or a business-type activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operation of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues. The City does not allocate indirect expenses. The operating grants include operating-specific grants.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statement's governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 1 - continued

The City's fiduciary funds (which have been redefined and narrowed in scope) are presented in the fund financial statements by type (pension and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The following is a brief description of the specific funds used by the City.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed.

a. General Fund

The General Fund is the primary operating fund of the City. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income.

b. Special Revenue Fund

The Special Revenue Fund accounts for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities. The Library Fund and the TIF 1 Central Business District Fund are major funds for reporting purposes.

c. Capital Projects Fund

The Capital Project Fund accounts for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

2. Proprietary Funds

Proprietary Funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and payments relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of operating income, financial position, changes in net assets and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as, materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, the City has elected to follow GASB statements issued after November 30, 1989, rather than the Financial Accounting Standards Board, in accounting for enterprise funds and business-type activities.

a. Enterprise Fund or Business Funds

The Enterprise Fund accounts for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The School Bus Fund and the Sewerage Fund are considered major funds for reporting purposes.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 1 - continued

b. Internal Service Funds

The Internal Service Funds are used to finance and account for services and commodities provided by designated departments to other departments of the City.

The following are the City's internal service funds:

Vehicle Maintenance Fund-To account for the costs of fuel, repairs, and maintenance of City-owned vehicles.

Employees Benefit Fund-To account for the premiums and medical claims of all covered City employees and their covered dependents.

3. Fiduciary Funds

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governments. The Fiduciary Funds of the City are the Police and Fire Pension Trust Funds and the Payroll Imprest Agency Fund. For accounting measurement purposes, the Pension Trust Funds are accounted for in essentially the same manner as proprietary funds. The Pension Trust Funds account for the assets of the City's pension plans. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. Fiduciary funds are not included in the government-wide financial statements.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net assets and statements of activities, all proprietary funds, and private purpose trust funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the statement of net assets or on the statement of fiduciary net assets. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The statements of net assets, statements of activities, financial statements of the Proprietary Funds and Fiduciary Funds (except for agency funds) are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. Real and personal property taxes are recognized in the period for which levied, provided the City has an enforceable legal claim to the resources. Grants, shared revenues, and contributions are recognized when all eligibility requirements have been met.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 1 - continued

The fund financial statements of the General, Special Revenue, Capital Projects, and agency funds are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property taxes revenue and other local taxes, the term "available" is limited to collection within ninety days of the fiscal year-end. Levies made prior to the fiscal year-end but which are not available are deferred. Interest income is recorded as earned. Federal and State reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

E. Capital Assets

Capital assets are recorded as expenditures of the General, Special Revenue, and Capital Project Funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold of \$5,000 is met. GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets effective May 1, 2004. Infrastructure assets include roads, sidewalks, underground pipes, traffic lighting, etc. These infrastructure assets are the largest asset class of the City. Pursuant to GASB Statement No. 34, the City has reported infrastructure assets acquired or constructed since 1978. These assets have been recorded at historical cost at the date of acquisition or construction less accumulated depreciation.

Depreciation is recorded on general fixed assets on a governmental-wide basis using the straight-line method and the following estimated useful lives:

Buildings	50-years
Equipment and Furniture	5-20 years
Vehicles	5-10 years
Library Books	10-years
Streets and Sidewalks	50-years
Lighting	20-years

To the extent the City's capitalization threshold of \$5,000 is met, capital outlays of the proprietary funds are recorded as fixed assets and depreciated over their estimated useful lives in both the funds basis and the governmental-wide basis using the straight-line method and the following estimated useful lives:

Buildings	25-years
Land Improvements	20-years
Machinery and Equipment	7-15 years
Vehicles	5-10 years

All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 1 - continued

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

F. Inventory

The funds having material inventory are the Airport Fund (enterprise) with fuel and the Vehicle Maintenance Fund (internal service) with fuel and vehicle parts. Inventories of fuel and vehicle parts in these funds are valued at cost on a first-in, first-out basis which approximate market value. Inventory is recorded using the consumption method.

G. Compensated Absences

The City accrues compensated absences (vacation and sick leave benefits) when vested. The governmental funds' compensated absences liabilities are recorded as current liabilities in the government-wide financial statements and total \$2,570,243.

H. Property Tax Revenue, Receivables, and Deferred Revenue

Property tax revenues are recorded on the "deferred method". Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the Tazewell County Treasurer, the property taxes are not "available" to finance current year expenditures. The 2010 tax levy adopted December 2010 is recorded as property taxes receivable and deferred tax revenue on the balance sheets of governmental type funds. Taxes for this levy are due in two installments-June 1 and September 1, 2011. Collections are distributed by the County Treasurer in July through November 2011. The lien date for uncollected taxes is January 1, 2012.

I. Capital Lease Obligations

As of April 30, 2011 the City was not a party to any capital lease arrangements.

J. Employees Benefits

The City has established an internal service fund to account for its medical self-insurance program. The purpose of this fund is to pay medical insurance claims of the City employees and their covered dependents. The private insurance carrier determines premium payments to be made by the City. Annual claims are paid from accumulated premium payments, and claims exceeding a fixed amount per employee are paid by a private insurance carrier.

K. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

L. Fund Balance

Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 1 - continued

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

NOTE 2 - **DEPOSITS AND INVESTMENTS**

State statutes authorize the City to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations, or other financial institutions as designated by ordinances, and to invest available funds in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, money market mutual funds whose portfolios consist of governmental securities, Illinois Funds Money Market Fund, and annuities.

As of April 30, 2011, the carrying amount of the City's deposits totaled \$19,955,233 with the bank balances totaling \$30,895,084. The insured and collateral status of the bank balances, by category of risk, were as follows:

Insured or collateralized with securities held by the City or its agent in the City's name	<u>\$ 30,895,084</u>
--	----------------------

The City's investments are categorized as follows to give an indication of the level of credit risk assumed by the City: (1) insured or registered, or the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered, with the securities held by the counterparty's trust department or agent in the City's name, and (3) uninsured and unregistered, with the securities held by the counterparty or its agent but not in the City's name.

As of April 30, 2011, the City's investments by category of risk were as follows:

	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>
Corporate debt and equity	\$ 24,787,159	\$ -	\$ -	\$24,787,159
U.S. government securities	<u>17,181,978</u>	<u>-</u>	<u>-</u>	<u>17,181,978</u>
	<u>\$ 41,969,137</u>	<u>\$ -</u>	<u>\$ -</u>	41,969,137
Investments not subject to categorization:				
Illinois State Funds Money Market Fund				641,540
Money Market Funds				<u>763,368</u>
Total				<u>\$43,374,045</u>

GASB Statement No. 3, Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements, requires the City to assign risk categories for its investments, except those in which securities are not used as evidence of the investment. The level of risk for the City's investments during the year did not vary substantially from those at year end.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 2 - continued

A reconciliation of cash, cash equivalents and investments as shown in the financial statements is as follows:

Cash	\$ 20,063,711
Deposits with financial institutions	2,300,000
Investments	<u>39,669,137</u>
	<u>\$ 62,032,848</u>
Government-wide financial statement of net assets:	
Cash and cash equivalents	\$ 17,865,660
Investments	<u>2,521,807</u>
	<u>\$ 20,387,467</u>
Statement of fiduciary net assets:	
Cash and cash equivalents	\$ 762,877
Investments	<u>40,882,504</u>
	<u>\$ 41,645,381</u>

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended April 30, 2011:

	Balance April 30, 2010	Additions	Deletions	Balance April 30, 2011
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 12,363,965	\$ 4,400	\$ -	\$ 12,368,365
Capital assets being depreciated:				
Buildings	11,285,665	32,636	-	11,318,301
Infrastructure	18,503,830	545,409	-	19,049,239
Machinery and equipment	3,607,166	204,821	-	3,811,987
Vehicles	8,660,794	421,029	-	9,081,823
Library books	1,780,357	105,239	-	1,885,596
Total capital assets being depreciated	43,837,812	1,309,134	-	45,146,946
Less accumulated depreciation for:				
Buildings	2,768,247	226,259	-	2,994,506
Infrastructure	2,745,610	482,814	-	3,228,424
Machinery and equipment	2,751,150	180,346	-	2,931,496
Vehicles	6,145,050	549,660	-	6,694,710
Library books	1,312,969	104,166	-	1,417,135
Total accumulated depreciation	15,723,026	1,543,245	-	17,266,271
Total capital assets being depreciated, net	28,114,786	(234,111)	-	27,880,675
Governmental activities capital assets, net	\$ 40,478,751	\$ (229,711)	\$ -	\$ 40,249,040
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 249,883	\$ -	\$ -	\$ 249,883
Construction in progress	-	3,394,526	-	3,394,526
Total capital assets not being depreciated	249,883	3,394,526	-	3,644,409
Capital assets being depreciated:				
Land improvements	759,419	11,185	-	770,604
Buildings	841,710	47,872	-	889,582
Machinery and equipment	21,461,290	-	-	21,461,290
Vehicles	2,326,451	718,386	-	3,044,837
Total capital assets being depreciated	25,388,870	777,443	-	26,166,313
Less accumulated depreciation for:				
Land improvements	743,089	9,139	-	752,228
Buildings	434,436	14,790	-	449,226
Machinery and equipment	9,871,733	564,108	-	10,435,841
Vehicles	1,825,399	176,728	-	2,002,127
Total accumulated depreciation	12,874,657	764,765	-	13,639,422
Total capital assets being depreciated, net	12,514,213	12,678	-	12,526,891
Business-type activities capital assets, net	\$ 12,764,096	\$ 3,407,204	\$ -	\$ 16,171,300

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 3 - continued

Depreciation expense was charged to the functions of the government as follows:

Governmental Activities

General government	\$ 181,090
Public safety	369,509
Highways and streets	474,265
Sanitation	95,496
Public lands	233,801
Library services	174,018
Public works	8,488
Zoning	6,578
	<u>\$ 1,543,245</u>

Business-Type Activities

Sewerage	\$ 594,248
School bus	147,846
Airport	22,671
	<u>\$ 764,765</u>

NOTE 4 - **INDIVIDUAL FUND DISCLOSURES**

The following is a summary of deficit fund balances/net assets of individual funds as of April 30, 2011:

Governmental Fund:

Capital Projects Fund	<u>\$ 586,391</u>
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The excess of actual expenditures over final budget for year ended April 30, 2011 were:

General Fund (due to excess operating costs)	\$ 214,746
Tourism (due to loan agreement costs)	23,945

Interfund receivables/payables at April 30, 2011 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,200	\$ 117,678
Library Fund	23,008	-
TIF/CBD Fund	-	1,200
Police Pension Fund	38,788	-
Fire Pension Fund	55,882	-
	<u>\$ 118,878</u>	<u>\$ 118,878</u>

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 4 - continued

The following is a schedule of operating transfers as included in the City's basic financial statements:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
General Fund	\$ 147,247	\$ -
Business-type activities:		
Sewerage Fund	-	114,648
School Bus Fund	-	32,599
	<u> </u>	<u> </u>
Total	<u>\$ 147,247</u>	<u>\$ 147,247</u>

NOTE 5 - **LEASE COMMITMENTS**

Capital Leases:

The City was not obligated under any capital lease contracts as of April 30, 2011.

Operating Leases:

The City has entered into a number of operating leases which contain cancellation provisions and are subject to annual appropriations. For the reporting period, rent expenditures approximated \$32,450. These expenditures were made from the following funds:

General Fund	\$ 8,600
Capital Project Fund	2,400
Sewerage Fund	15,400
School Bus Fund	4,550
Airport Fund	300
Component Unit	1,200
	<u>\$ 32,450</u>

NOTE 6 - **LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended April 30, 2011:

	<u>Balance</u> <u>April 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>April 30, 2011</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
General Obligation Bonds:					
Series 2003	\$ 340,000	\$ -	\$ 110,000	\$ 230,000	\$ 110,000
Series 2004 Refunding	570,000	-	185,000	385,000	190,000
Series 2004	1,416,347	-	368,750	1,047,597	368,750
Series 2005	560,000	-	112,000	448,000	112,000
Series 2010	-	7,110,000	-	7,110,000	285,000
	<u>\$ 2,886,347</u>	<u>\$ 7,110,000</u>	<u>\$ 775,750</u>	<u>\$ 9,220,597</u>	<u>\$ 1,065,750</u>

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 6 - continued

A brief description of the above long-term debt obligations is as follows:

General Obligation Bonds:

Series 2003 Refunding - Used to refinance the outstanding bonds of the Series 1992 issue. Bonds are due in annual installments of \$110,000 to \$120,000 through December 18, 2012. Interest rate ranges between 2.0 percent to 3.65 percent.	\$ 230,000
Series 2004 Refunding - Used to refinance outstanding bonds of the Series 1993A issue. Bonds are due in annual installments of \$190,000 to \$195,000 through January 1, 2013. Interest rate ranges from 1.9 percent to 3.65 percent.	385,000
Series 2004 - Used to purchase capital items in General Fund, Sanitation Fund, and TIF/CBD Fund. Bonds are due in annual installments of \$368,750 with a final payment of \$310,097 on January 1, 2013. Interest rate is 3.894 percent.	1,047,597
Series 2005 - Used to purchase land for expansion of Riverway Business Park. Bonds are due in annual installments of \$112,000 through April 1, 2015. Interest rate is 5.125 percent.	448,000
Series 2010 - The City issued \$7,110,000 in general obligation bonds on August 23, 2010 to pay for a portion of the construction costs to the wastewater treatment plant and improvements to the sanitary sewer system. Bonds are payable over an eighteen year period beginning in 2011. Annual principal payments range from \$285,000 to \$475,000. The interest rates range from 1.0% to 6.15%. The bonds qualify under Internal Revenue Code Section 54AA ("Qualified Build America Bonds") which provides for a 35% reduction in interest costs to the City.	7,110,000
	<u>\$ 9,220,597</u>

Debt Service:

The annual debt service requirements to maturity, including principal and interest for the long-term debt as of April 30, 2011 are as follows:

Year Ending <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,065,750	\$ 286,861	\$ 1,352,611
2013	1,080,750	253,901	1,334,651
2014	712,097	220,032	932,129
2015	412,000	203,890	615,890
2016	300,000	192,891	492,891
2017-2021	1,600,000	856,484	2,456,484
2022-2026	1,845,000	598,011	2,443,011
2027-2031	<u>2,205,000</u>	<u>225,944</u>	<u>2,430,944</u>
Total	<u>\$9,220,597</u>	<u>\$ 2,838,014</u>	<u>\$ 12,058,611</u>

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 7 - CONSTRUCTION IN PROGRESS/RESTRICTED CASH-SEWERAGE FUND

As of April 30, 2011, the City had expended \$3,394,526 of the Series 2010 bond proceeds for wastewater treatment plant improvements. The remaining unspent bond proceeds of \$3,715,474 are considered restricted cash. The construction in progress account and the restricted cash account are reported as noncurrent assets on Statements 1 and 5, Statement of Net Assets.

NOTE 8 - ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

The City of Pekin's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

Funding Policy

As set by statute, the City's regular plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2010 was 11.92 percent. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

For 2010, the City's annual pension cost was \$571,303.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	<u>Net Pension Obligation</u>
12/31/2010	\$ 571,303	100%	\$ -
12/31/2009	359,842	100%	-
12/31/2008	392,902	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.0 percent a year, attributable to inflation, c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3 percent annually. The actuarial value of the City's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The City's regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30-year basis.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 8 - continued

Funding Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 52.56 percent funded. The actuarial accrued liability for benefits was \$11,183,715 and the actuarial value of assets was \$5,878,033, resulting in an underfunded actuarial accrued liability (UAAL) of \$5,305,682. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$4,792,807 and the ratio of the UAAL to the covered payroll was 111 percent.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 9 - **POLICE PENSION FUND**

Disclosure of pension information, as required by GASB No. 27, was not available for the Police Pension Fund as of the date of this report. The following information regarding the police pension fund is the most recent data available from actuarial reports dated April 30, 2010:

A. Plan Description:

All of the City's full-time police employees participate in the City of Pekin Police Pension Fund, (PPF) a single-employer, defined benefit pension plan. The payroll for employees covered by the PPF for the year ended April 30, 2010 was \$3,219,123. Current membership in the PPF is comprised of the following:

	<u>April 30, 2010</u>
Retirees and beneficiaries currently receiving benefits	48
Terminated plan members entitled to but not yet receiving benefits	2
Active employees	54

Pension Benefits:

Employees age 50 or over who have at least 20 years of creditable service and are no longer in service as police officers are entitled to a pension of one-half of the salary attached to the rank held on the last day of service. The pension is increased by 2 percent of such salary for each additional year over 20 years of service through 30 years of service, and 1 percent of such salary for each additional year over 30 years of service, to a maximum of 75 percent of such salary

Disability Benefits:

If a covered employee, as a result of an act of duty, is found to be disabled for service in the police department, the employee shall be granted a disability pension of 65 percent of the salary attached to the rank held at the date of suspension of duty. If the disability is the result of any cause other than an act of duty, the disability pension is 50 percent of salary.

Separation Benefits:

A covered employee who is separated from service having at least 8 years but less than 20 years of creditable service is entitled upon attainment of age 60 to a pension of 2.5 percent of the salary attached to the rank held on the last day of service for each year of creditable service.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 9 - continued

B. Related Party Transactions

There were no securities of the City of Pekin or related parties included in the PPF's assets.

C. Funding Status

The Illinois Department of Insurance's actuary estimates that as of April 30, 2010 (the date of the latest computation) the present value of total pension obligations to be borne by the City of Pekin Police Pension Fund was:

Reserves for annuities and benefits in force:

Service retirement annuities	\$ 20,355,646
Disability annuities	381,873
Widows and parents annuities	3,745,576
Deferred annuities	557,360
Pensions and benefits on active participants	<u>12,683,978</u>
Total present value of pension obligations	<u>\$ 37,724,433</u>

The Police Pension Fund had accumulated reserve assets of \$21,220,112 on the same date. Therefore, the estimated present value of future contributions to be made by the Police Pension Fund on behalf of the present employees at April 30, 2010 was \$16,504,321.

The annual tax levy necessary to meet the annual requirements of the Police Pension Fund at April 30, 2010 was:

Normal costs based on the annual payroll of active participants at April 30, 2010	\$ 485,395
Amount necessary to amortize the unfunded accrued liability of \$16,504,321 over 23.1699 contemplated by Section 3-127 of the Illinois Pension Code	<u>841,114</u>
Total amount of tax levy necessary to arrive at the annual requirements of the fund as contemplated by Section 3-125 of the Illinois Pension Code	<u>\$ 1,326,509</u>

SUMMARY OF ACTUARIAL INFORMATION

Funding method used-Entry Age Normal Cost
Amortization method used-Level Percentage of Payroll in accordance with Section 3-127 of the Illinois Pension Code
Interest rate assumption-7.0 percent
Mortality rate assumption-1971 Group Annuity
Decrement assumption other than mortality-Experience Tables
Salary progression assumption-5.5 percent
Status of social security in assumption-None

The attained age at the time of disability or retirement, sex, annual salary or pension, and completed years of service of each individual participant as of the date of the valuation balance sheet is used in calculating the liabilities of the fund.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 10 - FIRE PENSION FUND

Disclosure of pension information, as required by GASB No. 27, was not available for the Fire Pension Fund as of the date of this report. The following information regarding the fire pension fund is the most recent data available from actuarial reports dated April 30, 2010:

A. Plan Description

All of the City's full-time employees participate in the City of Pekin Fire Pension Fund, (FPF) a single employer, defined benefit pension plan. The payroll for employees covered by the FPF for the year ended April 30, 2010 was \$3,284,976. Current membership in the FPF is comprised of the following:

<u>Group</u>	<u>April 30, 2010</u>
Retirees and beneficiaries currently receiving benefits	63
Terminated plan members entitled to but not yet receiving benefits	4
Active employees	53

Pension Benefits:

Employees age 50 or over who have at least 20 years of creditable service and are no longer in service as firefighters are entitled to a monthly pension of one-half of the monthly salary attached to the rank held at the date of retirement. The pension is increased by 1/12 of 2 percent of such monthly salary for each additional month over 20 years of service through 30 years of service, and 1/12 of 1 percent of such monthly salary for each additional month over 30 years of service, to a maximum of 75 percent of such monthly salary.

Disability Benefits:

If a covered employee, as a result of an act of duty, or an occupational disease, is found to be disabled for service in the fire department, the employee shall be granted a disability pension of 65 percent of the salary attached to the rank held at the date of removal from the City's payroll. If the disability is the result of any cause and the employee has a minimum of 7 years of creditable service, the disability pension is 50 percent of monthly salary.

Separation Benefits:

A covered employee who is separated from service having at least 10 years but less than 20 years of creditable service is entitled upon attainment of age 60 to a pension based on the monthly salary attached to the rank held on the date of separation of service according to a schedule ranging from 10 years service (15.0 percent of salary) to 19 years service (45.6 percent of salary).

B. Related Party Transactions

There were no securities of the City of Pekin or related parties included in the FPF's assets.

C. Funding Status

The Illinois Department of Insurance's actuary estimates that as of April 30, 2010 (the date of the latest computation) the present value of total pension obligations to be borne by the City of Pekin Fire Pension Fund was:

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 10 - continued

Reserves for annuities and benefits in force:	
Service retirement annuities	\$ 22,652,539
Disability annuities	5,392,287
Widows and parents annuities	1,832,874
Deferred annuities	99,476
Pensions and benefits on active participants	<u>14,028,315</u>
Total present value of pension obligations	<u>\$ 44,005,491</u>

The Fire Pension Fund had accumulated reserve assets of \$15,963,616 on the same date. Therefore, the estimated present value of future contributions to be made by the Fire Pension Fund on behalf of the present employees at April 30, 2010 was \$28,041,875.

The annual tax levy necessary to meet the annual requirements of the Fire Pension Fund at April 30, 2010 was:

Normal costs based on the annual payroll of active participants at April 30, 2010	\$ 686,478
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Amount necessary to amortize the unfunded accrued liability of \$28,041,875 over 23.1699 years as contemplated by Section 4-118 of the Illinois Pension Code	<u>1,429,106</u>
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Total amount of tax levy necessary to arrive at the annual requirements of the fund as contemplated by Section 4-118 of the Illinois Pension Code	<u>\$ 2,115,584</u>
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SUMMARY OF ACTUARIAL INFORMATION

Funding method used-Entry Age Normal Cost
Amortization method used-Level Percentage of Payroll in accordance with Section 4-118 of the Illinois Pension Code
Investment Return Assumption-7.0 percent
Mortality Rate Assumption-1971 Group Annuity
Decrement assumption other than mortality-Experience Tables
Salary progression assumption-5.5 percent
Status of social security in assumption-None

The attained age at the time of disability or retirement, sex, annual salary or pension, and contemplated years of service of each individual participant as of the date of the valuation balance sheet is used in calculating the liabilities of the fund.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2011

NOTE 11 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City belongs to the Illinois Municipal League Risk Management Fund, a public entity risk pool currently operating as a common risk management and insurance program for approximately 709 member governmental units.

The City pays an annual premium for its general insurance and worker's compensation insurance coverage.

Settled claims resulting from the above-mentioned risks did not exceed insurance coverage in the past year.

NOTE 12 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

All police, fire, and IMRF eligible retirees are entitled to receive the same health insurance benefits they had as active employees. (Plan A).

A summary of the plan benefits is as follows:

PPO In-Network Benefits:

Claims paid at 100 percent after meeting deductible provisions;

Deductible - \$200 per individual per year/\$400 per family per year;

Prescription Plan - 20% up to maximum of \$10/\$20/\$35 co-pay;

Maximum out-of-pocket costs per year - \$1,000 per person and \$2,000 per family.

Out-of-Network Benefits:

Claims paid at 80 percent after meeting deductible provisions;

The police and fire retirees each have trust funds that receive monthly contributions from active police and fire employees to supplement costs. Retirees contribute to these same funds through deductions from their pensions.

The City's anticipated costs to provide health insurance benefits to eligible retirees has been estimated at \$1,185,651 and is recorded as a noncurrent liability in the government-wide financial statements.

NOTE 13 - CONDUIT DEBT

From time to time, the City has issued various types of revenue bonds on behalf of private sector and nonprofit entities for the acquisition and/or construction of facilities deemed to be in the public interest. The bonds are secured by the property and revenues of those entities, and are payable solely from the resources of those entities. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the financial statements.

As of April 30, 2011 there were two series of revenue bonds outstanding. The principal amount payable was approximately \$2,404,700.

NOTE 14 - CONTINGENCIES

The City is party to various legal proceedings which normally occur in government operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City and accordingly, no provision for losses has been recorded.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2011

	Budgeted Amounts Original and Final	Actual	Variance Over (Under)
Revenues:			
Taxes	\$ 19,823,111	\$ 20,459,196	\$ 636,085
Licenses and permits	204,545	200,997	(3,548)
Intergovernmental	149,398	389,722	240,324
Fees and charges for services	705,140	1,223,224	518,084
Fines and collections	499,750	633,763	134,013
Investment earnings	226,250	238,302	12,052
Reimbursements and restitutions	127,466	183,539	56,073
Other revenues	76,650	48,452	(28,198)
Total revenues	<u>21,812,310</u>	<u>23,377,195</u>	<u>1,564,885</u>
Expenditures:			
General government/administrative	1,713,969	1,562,588	(151,381)
Public safety	15,445,562	15,658,256	212,694
Public lands and buildings	720,370	872,608	152,238
Zoning and inspection	513,902	519,373	5,471
Public works	270,971	298,627	27,656
Highways and streets	1,684,156	1,725,865	41,709
Sanitation	1,692,933	1,863,561	170,628
Capital outlay	912,580	670,559	(242,021)
Debt service:			
Principal	411,537	411,537	-
Interest	65,863	63,615	(2,248)
Total expenditures	<u>23,431,843</u>	<u>23,646,589</u>	<u>214,746</u>
Deficiency of revenues over expenditures	<u>(1,619,533)</u>	<u>(269,394)</u>	<u>(1,350,139)</u>
Other financing sources:			
Transfers in	74,484	147,247	72,763
Net change in fund balance	<u>\$ 1,545,049</u>	<u>(122,147)</u>	<u>\$ (1,422,902)</u>
Fund balance, beginning of year		20,124,861	
Correction of beginning fund balance		(260,000)	
Transfer of deficit from Municipal Bus Fund		(161,647)	
Transfer of deficit from Sanitation Fund		<u>(7,280,491)</u>	
Fund balance, end of year		<u>\$ 12,300,576</u>	

The notes to the required supplementary information are an integral part of this schedule.

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2011

	Budgeted Amounts Original and Final	Actual	Variance Over (Under)
Revenues:			
Property taxes	\$ 1,022,756	\$ 1,022,010	\$ (746)
Replacement taxes	90,000	110,206	20,206
Charges for services	51,900	42,902	(8,998)
Intergovernmental	37,400	35,947	(1,453)
Investment earnings	1,500	3,673	2,173
All other revenues	<u>13,500</u>	<u>40,725</u>	<u>27,225</u>
Total revenues	<u>1,217,056</u>	<u>1,255,463</u>	<u>38,407</u>
Expenditures:			
Library services:			
Personal services	649,507	643,235	(6,272)
Books, programs and services	190,375	182,115	(8,260)
Other services and charges	259,174	279,967	20,793
Capital outlay	<u>118,000</u>	<u>107,795</u>	<u>(10,205)</u>
Total expenditures	<u>1,217,056</u>	<u>1,213,112</u>	<u>(3,944)</u>
Net change in fund balance	<u>\$ -</u>	<u>42,351</u>	<u>\$ 42,351</u>
Fund balance, beginning of year		<u>634,494</u>	
Fund balance, end of year		<u>\$ 676,845</u>	

The notes to the required supplementary information are an integral part of this schedule.

CITY OF PEKIN, ILLINOIS
TIF 1 CENTRAL BUSINESS DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2011

	Budgeted Amounts Original and Final	Actual	Variance Over (Under)
Revenues:			
Property taxes	\$ 510,000	\$ 548,506	\$ 38,506
Sales taxes	450,000	540,912	90,912
Investment earnings	42,500	24,928	(17,572)
Total revenues	<u>1,002,500</u>	<u>1,114,346</u>	<u>111,846</u>
Expenditures:			
Administration	11,000	13,601	2,601
Redevelopment:			
Property acquisition	50,000	44,685	(5,315)
Redevelopment grants	-	24,067	24,067
Property improvements and maintenance	527,215	29,985	(497,230)
Debt service:			
Principal	364,213	364,213	-
Interest	50,072	43,092	(6,980)
Total expenditures	<u>1,002,500</u>	<u>519,643</u>	<u>(482,857)</u>
Net change in fund balance	<u>\$ -</u>	<u>594,703</u>	<u>\$ 594,703</u>
Fund balance, beginning of year		<u>2,824,062</u>	
Fund balance, end of year		<u>\$3,418,765</u>	

The notes to the required supplementary information are an integral part of this schedule.

CITY OF PEKIN, ILLINOIS
SCHEDULE OF FUNDING PROGRESS
DEFINED BENEFIT PENSION PLAN - IMRF

Actuarial Valuation Date	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
Actuarial Value of Assets (a)	\$ 5,878,033	\$ 7,686,654	\$ 8,339,645
Actuarial Accrued Liability (AAL)-Entry Age (b)	\$ 11,183,715	\$ 10,549,429	\$ 11,092,637
Unfunded AAL (UAAL) (b-a)	\$ 5,305,682	\$ 2,862,775	\$ 2,752,992
Funded Ratio (a/b)	52.56%	72.86%	75.18%
Covered Payroll (c)	\$ 4,792,807	\$ 4,526,316	\$ 4,826,804
UAAL as a Percentage of Covered Payroll (b-a) / c)	110.70%	63.25%	57.04%

The notes to the required supplementary informatin are an integral part of this schedule.

CITY OF PEKIN, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2011

NOTE 1 - BUDGETARY ACCOUNTING

In 1996 the City Council adopted budget procedures established by law which replaced the former appropriation ordinances process. The budget, unlike the replaced annual appropriations ordinance, is required to be adopted before the beginning of the fiscal year to which it applies. Unexpended budget items lapse each year.

The budget may be changed in almost any manner and without public hearings at any time during the year pursuant to a two-thirds vote of the Council members. Further, they may delegate the power, by the same vote, to make changes within an appropriation to a budget officer.

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING

The budget for all governmental funds is prepared on the accrual basis of accounting; therefore, the budget comparison with actual is presented in accordance with generally accepted accounting principles.

NOTE 3 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The excess of actual expenditures over final budget for year ended April 30, 2011 for major funds were:

General Fund (due to excess operating costs)	<u>\$ 214,746</u>
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OTHER SUPPLEMENTARY INFORMATION

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Over (Under)
Revenues:			
Property taxes	\$ 4,645,441	\$ 4,715,333	\$ 69,892
Replacement taxes	1,129,670	1,287,867	158,197
Income taxes	2,564,000	2,620,092	56,092
State sales and use taxes	5,225,000	5,419,095	194,095
Local sales and use taxes	3,625,000	3,988,621	363,621
Local food/beverage tax	950,000	918,592	(31,408)
Local packaged liquor tax	180,000	172,699	(7,301)
Local motor fuel taxes	300,000	274,506	(25,494)
Telecommunication tax	1,204,000	1,062,391	(141,609)
Intergovernmental	149,398	389,722	240,324
Franchise fees	300,000	461,237	161,237
Fire protection fees	372,750	431,892	59,142
Charges for services	32,390	134,876	102,486
Fines and collections	499,750	633,763	134,013
Parking lot rentals	8,900	6,790	(2,110)
Other rentals and sale of property	66,700	188,429	121,729
Licenses and permits	204,545	200,997	(3,548)
Reimbursements and restitutions	127,466	183,539	56,073
Investment earnings	226,250	238,302	12,052
Miscellaneous	1,050	48,452	47,402
Total revenues	<u>21,812,310</u>	<u>23,377,195</u>	<u>1,564,885</u>
Expenditures:			
General government	2,186,601	2,043,504	(143,097)
Streets	2,015,156	1,882,257	(132,899)
Police	8,066,514	8,246,737	180,223
Fire	7,871,628	7,814,590	(57,038)
Public works	274,371	298,627	24,256
Zoning and inspection	514,302	519,373	5,071
Public lands and buildings	730,370	886,284	155,914
Sanitation	1,772,901	1,955,217	182,316
Total expenditures	<u>23,431,843</u>	<u>23,646,589</u>	<u>214,746</u>
Deficiency of revenues over expenditures	<u>(1,619,533)</u>	<u>(269,394)</u>	<u>(1,350,139)</u>
Other financing sources:			
Transfers in	<u>74,484</u>	<u>147,247</u>	<u>72,763</u>
Net change in fund balance	<u>\$ (1,545,049)</u>	<u>(122,147)</u>	<u>\$ (1,422,902)</u>
Fund balance, beginning of year		20,124,861	
Correction of beginning fund balance		(260,000)	
Transfer of deficit from Municipal Bus Fund		(161,647)	
Transfer of deficit from Sanitation Fund		<u>(7,280,491)</u>	
Fund balance, end of year		<u>\$ 12,300,576</u>	

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2011

	Final Budget	Actual	Variance Over (Under)
General government:			
Administrative:			
Personal services	\$ 272,746	\$ 360,861	\$ 88,115
Supplies	500	723	223
Other services and charges	46,482	46,556	74
Capital outlay	1,100	390	(710)
Total administrative	<u>320,828</u>	<u>408,530</u>	<u>87,702</u>
Legal:			
Other services and charges	<u>319,500</u>	<u>107,622</u>	<u>(211,878)</u>
City Clerk:			
Personal services	87,268	129,252	41,984
Supplies	500	696	196
Other services and charges	<u>27,072</u>	<u>28,826</u>	<u>1,754</u>
Total city clerk	<u>114,840</u>	<u>158,774</u>	<u>43,934</u>
Finance/Treasurer:			
Personal services	187,348	222,777	35,429
Supplies	4,560	4,425	(135)
Other services and charges	<u>59,279</u>	<u>62,725</u>	<u>3,446</u>
Total finance	<u>251,187</u>	<u>289,927</u>	<u>38,740</u>
Personnel:			
Personal services	113,529	97,812	(15,717)
Supplies	1,100	1,753	653
Other services and charges	<u>26,659</u>	<u>32,903</u>	<u>6,244</u>
Total personnel	<u>141,288</u>	<u>132,468</u>	<u>(8,820)</u>
Information technology:			
Personal services	125,989	126,881	892
Supplies	1,100	239	(861)
Other services and charges	190,337	132,131	(58,206)
Capital outlay	<u>64,100</u>	<u>75,342</u>	<u>11,242</u>
Total information technology	<u>381,526</u>	<u>334,593</u>	<u>(46,933)</u>

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2011

	Final Budget	Actual	Variance Over (Under)
Non-departmental:			
Supplies	-	2,012	2,012
Other services and charges	250,000	204,394	(45,606)
Debt service-principal	349,624	349,624	-
Debt service-interest	57,808	55,560	(2,248)
Total non-departmental	657,432	611,590	(45,842)
Total general government	2,186,601	2,043,504	(143,097)
Streets:			
Personal services	788,862	751,745	(37,117)
Supplies	20,700	20,488	(212)
Other services and charges	874,594	953,632	79,038
Capital outlay	331,000	156,392	(174,608)
Total streets	2,015,156	1,882,257	(132,899)
Police:			
Personal services	4,362,333	4,507,070	144,737
Supplies	35,009	25,861	(9,148)
Other services and charges	3,534,342	3,592,632	58,290
Capital outlay	134,830	121,174	(13,656)
Total police	8,066,514	8,246,737	180,223
Fire:			
Personal services	3,733,429	3,886,959	153,530
Supplies	10,500	29,877	19,377
Other services and charges	3,769,949	3,615,857	(154,092)
Capital outlay	357,750	281,897	(75,853)
Total fire	7,871,628	7,814,590	(57,038)
Public works:			
Personal services	215,849	241,752	25,903
Supplies	1,250	1,148	(102)
Other services and charges	53,872	55,727	1,855
Capital outlay	3,400	-	(3,400)
Total public works	274,371	298,627	24,256

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2011

	Final Budget	Actual	Variance Over (Under)
Zoning and inspection:			
Personal services	342,572	344,107	1,535
Supplies	2,300	1,870	(430)
Other services and charges	169,030	173,396	4,366
Capital outlay	400	-	(400)
Total zoning and inspection	<u>514,302</u>	<u>519,373</u>	<u>5,071</u>
Public land and buildings:			
Personal services	241,012	290,698	49,686
Supplies	27,500	28,600	1,100
Other services and charges	451,858	553,310	101,452
Capital outlay	10,000	13,676	3,676
Total public land and buildings	<u>730,370</u>	<u>886,284</u>	<u>155,914</u>
Sanitation:			
Personal services	652,682	676,837	24,155
Supplies	3,600	1,572	(2,028)
Other services and charges	1,036,651	1,185,152	148,501
Capital outlay	10,000	21,688	11,688
Debt service-principal	61,913	61,913	-
Debt service-interest	8,055	8,055	-
Total sanitation	<u>1,772,901</u>	<u>1,955,217</u>	<u>182,316</u>
Total general fund	<u>\$ 23,431,843</u>	<u>\$ 23,646,589</u>	<u>\$ 214,746</u>

CITY OF PEKIN, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2011

	Special Revenue				
	Tourism Fund	HUD Metro Development Fund	Motor Fuel Tax Fund	Capital Projects Fund	Total
ASSETS					
Cash	\$167,075	\$ -	\$ 2,561,270	\$ -	\$ 2,728,345
Receivables:					
Accounts, fees, grants, and other taxes	13,685	-	69,878	223,202	306,765
Loans	500,000	1,468,482	-	-	1,968,482
Total assets	<u>\$680,760</u>	<u>\$1,468,482</u>	<u>\$ 2,631,148</u>	<u>\$ 223,202</u>	<u>\$ 5,003,592</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Cash overdraft	\$ -	\$ 108,718	\$ -	\$ 598,616	\$ 707,334
Accounts payable	-	1,484	634	11,417	13,535
Accrued wages	-	6,582	-	-	6,582
Deferred revenue	-	-	-	199,560	199,560
Total liabilities	<u>-</u>	<u>116,784</u>	<u>634</u>	<u>809,593</u>	<u>927,011</u>
Fund balances:					
Reserved for noncurrent receivables	500,000	1,351,698	-	-	1,851,698
Unreserved, undesignated (deficit)	180,760	-	2,630,514	(586,391)	2,224,883
Total fund balances (deficit)	<u>680,760</u>	<u>1,351,698</u>	<u>2,630,514</u>	<u>(586,391)</u>	<u>4,076,581</u>
Total liabilities and fund balances	<u>\$680,760</u>	<u>\$1,468,482</u>	<u>\$ 2,631,148</u>	<u>\$ 223,202</u>	<u>\$ 5,003,592</u>

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED APRIL 30, 2011

	Special Revenue					
	Tourism Fund	Sanitation Fund	HUD Metro Development Fund	Motor Fuel Tax Fund	Capital Projects Fund	Total
Revenues:						
Taxes:						
Local motel tax	\$ 89,515	\$ -	\$ -	\$ -	\$ -	\$ 89,515
Local motor fuel	-	-	-	856,521	274,506	1,131,027
Intergovernmental	-	-	442,841	162,184	103,757	708,782
Franchise fees	-	-	-	36,311	-	36,311
Investment earnings	-	-	-	91,030	23,611	114,641
Other revenues	-	-	5,381	-	8,340	13,721
Total revenues	<u>89,515</u>	<u>-</u>	<u>448,222</u>	<u>1,146,046</u>	<u>410,214</u>	<u>2,093,997</u>
Expenditures:						
Current:						
General government/administrative	2,977	-	173,188	-	-	176,165
Tourism/development	141,268	-	-	-	-	141,268
Public works-streets	-	-	-	857,035	-	857,035
Planning and development	-	-	-	-	507,444	507,444
Residential and public improvements/ donations	-	-	290,086	-	-	290,086
Total expenditures	<u>144,245</u>	<u>-</u>	<u>463,274</u>	<u>857,035</u>	<u>507,444</u>	<u>1,971,998</u>
Net change in fund balance	(54,730)	-	(15,052)	289,011	(97,230)	121,999
Fund balances (deficit), beginning of year	735,490	(7,280,491)	1,366,750	2,341,503	(293,202)	(3,129,950)
Correction of beginning fund balance	-	-	-	-	(195,959)	(195,959)
Transfers of deficit to General Fund	-	<u>7,280,491</u>	-	-	-	<u>7,280,491</u>
Fund balances (deficit), end of year	<u>\$ 680,760</u>	<u>\$ -</u>	<u>\$ 1,351,698</u>	<u>\$ 2,630,514</u>	<u>\$ (586,391)</u>	<u>\$ 4,076,581</u>

CITY OF PEKIN, ILLINOIS
 TOURISM SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Over (Under)
Revenues:			
Motel tax	\$ 125,000	\$ 89,515	\$ (35,485)
Expenditures:			
Administrative	14,300	14,055	(245)
Regional dues	56,000	64,800	8,800
Development grants	50,000	11,712	(38,288)
Loan agreement costs	-	53,678	53,678
Total expenditures	<u>120,300</u>	<u>144,245</u>	<u>23,945</u>
Net change in fund balance	<u>\$ 4,700</u>	(54,730)	<u>\$ (59,430)</u>
Fund balance, beginning of year		<u>735,490</u>	
Fund balance, end of year		<u>\$ 680,760</u>	

CITY OF PEKIN, ILLINOIS
 HUD METRO DEVELOPMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Over (Under)
Revenues:			
Federal grants	\$ 539,942	\$ 442,841	\$ (97,101)
Other revenues	<u>63,025</u>	<u>5,381</u>	<u>(57,644)</u>
Total revenues	<u>602,967</u>	<u>448,222</u>	<u>(154,745)</u>
Expenditures:			
General government	238,570	173,188	(65,382)
Residential housing rehabilitation	229,000	53,953	(175,047)
General public improvements	121,000	179,140	58,140
Contribution to public agencies	<u>43,000</u>	<u>56,993</u>	<u>13,993</u>
Total expenditures	<u>631,570</u>	<u>463,274</u>	<u>(168,296)</u>
Net change in fund balance	<u>\$ (28,603)</u>	(15,052)	<u>\$ 13,551</u>
Fund balance, beginning of year		<u>1,366,750</u>	
Fund balance, end of year		<u>\$ 1,351,698</u>	

CITY OF PEKIN, ILLINOIS
 MOTOR FUEL TAX SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2011

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Motor fuel taxes	\$ 935,000	\$ 856,521	\$ (78,479)
Intergovernmental	-	162,184	162,184
Franchise fees	150,000	36,311	(113,689)
Investment earnings	50,000	91,030	41,030
Total revenues	<u>1,135,000</u>	<u>1,146,046</u>	<u>11,046</u>
Expenditures:			
Street construction and maintenance	<u>1,135,000</u>	<u>857,035</u>	<u>(277,965)</u>
Net change in fund balance	<u>\$ -</u>	289,011	<u>\$ 289,011</u>
Fund balance, beginning of year		<u>2,341,503</u>	
Fund balance, end of year		<u>\$ 2,630,514</u>	

CITY OF PEKIN, ILLINOIS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Over (Under)
Revenues:			
Local motor fuel tax	\$ 300,000	\$ 274,506	\$ (25,494)
Intergovernmental grants	4,900,000	103,757	(4,796,243)
Sale and rental of property	7,200	-	(7,200)
Investment earnings	30,000	23,611	(6,389)
Other revenues	<u>-</u>	<u>8,340</u>	<u>8,340</u>
Total revenues	<u>5,237,200</u>	<u>410,214</u>	<u>(4,826,986)</u>
Expenditures:			
Contract construction	4,920,000	497,410	(4,422,590)
Administrative costs	10,000	5,634	(4,366)
Capital outlay-land acquisition	<u>300,000</u>	<u>4,400</u>	<u>(295,600)</u>
Total expenditures	<u>5,230,000</u>	<u>507,444</u>	<u>(4,722,556)</u>
Net change in fund balance	<u>\$ 7,200</u>	<u>(97,230)</u>	<u>\$ (104,430)</u>
Fund balance (deficit), beginning of year		(293,202)	
Correction of beginning fund balance		<u>(195,959)</u>	
Fund balance (deficit), end of year		<u>\$ (586,391)</u>	

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
APRIL 30, 2011

	Economic Development <u>Fund</u>	Pekin Airport Fund	<u>Total</u>
ASSETS			
Current assets:			
Accounts receivable	\$ 15,000	\$ 8,563	\$ 23,563
Intergovernmental receivable	-	106,732	106,732
Fuel inventory	-	47,639	47,639
Total current assets	<u>15,000</u>	<u>162,934</u>	<u>177,934</u>
Noncurrent assets:			
Loans receivable	<u>2,463,213</u>	-	<u>2,463,213</u>
Capital assets:			
Land and improvements	-	947,487	947,487
Buildings	-	794,276	794,276
Equipment	-	38,323	38,323
Less accumulated depreciation	<u>-</u>	<u>(1,186,176)</u>	<u>(1,186,176)</u>
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>593,910</u>	<u>593,910</u>
Total noncurrent assets	<u>2,463,213</u>	<u>593,910</u>	<u>3,057,123</u>
Total assets	<u>\$ 2,478,213</u>	<u>\$ 756,844</u>	<u>\$ 3,235,057</u>
LIABILITIES AND NET ASSETS			
Current liabilities:			
Cash overdraft	\$ 366,964	\$ 251,740	\$ 618,704
Accounts payable	1,000	747	1,747
Accrued wages	<u>6,016</u>	<u>2,550</u>	<u>8,566</u>
Total current liabilities	<u>373,980</u>	<u>255,037</u>	<u>629,017</u>
Net assets:			
Invested in capital assets, net of related debt	-	593,910	593,910
Unrestricted	<u>2,104,233</u>	<u>(92,103)</u>	<u>2,012,130</u>
Total net assets	<u>2,104,233</u>	<u>501,807</u>	<u>2,606,040</u>
Total liabilities and net assets	<u>\$ 2,478,213</u>	<u>\$ 756,844</u>	<u>\$ 3,235,057</u>

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2011

	Municipal Bus Fund	Economic Development Fund	Pekin Airport Fund	Total
Operating revenues, charges for services	\$ -	\$ 100,129	\$ 133,713	\$ 233,842
Operating expenses:				
Personal services	-	84,390	53,900	138,290
Supplies	-	258	981	1,239
Other services and charges	-	96,845	173,024	269,869
Depreciation	-	-	22,671	22,671
Total operating expenses	-	181,493	250,576	432,069
Operating loss	-	(81,364)	(116,863)	(198,227)
Nonoperating revenues:				
Grants	-	-	106,732	106,732
Investment earnings	-	140,771	-	140,771
Total nonoperating revenues	-	140,771	106,732	247,503
Change in net assets	-	59,407	(10,131)	49,276
Total net assets, beginning of year	(161,647)	2,044,826	511,938	2,395,117
Transfer of net deficit to General Fund	161,647	-	-	161,647
Total net assets, end of year	\$ -	\$ 2,104,233	\$ 501,807	\$ 2,606,040

CITY OF PEKIN, ILLINOIS
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2011

	Municipal Bus Fund	Economic Development Fund	Pekin Airport Fund	Total
Cash flows from operating activities:				
Receipts from services	\$ -	\$ 90,129	\$ 153,596	\$ 243,725
Payments for personal services	-	(82,792)	(53,752)	(136,544)
Payments to vendors and suppliers	-	(97,036)	(217,473)	(314,509)
Net cash used by operating activities	-	(89,699)	(117,629)	(207,328)
Cash flows from noncapital financing activities:				
Transfer of net deficit to General Fund	161,647	-	-	161,647
Cash flows from capital related activities:				
Purchase of capital assets	-	-	(13,751)	(13,751)
Cash flows from investing activities:				
Interest income	-	140,771	-	140,771
Net loans issued	-	(223,795)	-	(223,795)
Net cash used by investing activities	-	(83,024)	-	(83,024)
Net increase (decrease) in cash	161,647	(172,723)	(131,380)	(142,456)
Cash (overdraft) balance, beginning of year	(161,647)	(194,241)	(120,360)	(476,248)
Cash (overdraft) balance, end of year	\$ -	\$ (366,964)	\$ (251,740)	\$ (618,704)
Reconciliation of operating loss to net cash used by operating activities:				
Operating loss	\$ -	\$ (81,364)	\$ (116,863)	\$ (198,227)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation	-	-	22,671	22,671
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	-	(10,000)	19,883	9,883
Increase in fuel inventory	-	-	(43,864)	(43,864)
Increase in accounts payable	-	67	396	463
Increase in accrued wages	-	1,598	148	1,746
Net cash used by operating activities	\$ -	\$ (89,699)	\$ (117,629)	\$ (207,328)

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
APRIL 30, 2011

	Vehicle Maintenance <u>Fund</u>	Employees Benefits <u>Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Accounts receivable	\$ 5,392	\$ 464	\$ 5,856
Fuel and parts inventory, at cost	<u>94,084</u>	<u>-</u>	<u>94,084</u>
Total current assets	<u>99,476</u>	<u>464</u>	<u>99,940</u>
Noncurrent assets:			
Capital assets:			
Equipment	73,521	-	73,521
Less accumulated depreciation	<u>(43,460)</u>	<u>-</u>	<u>(43,460)</u>
Total capital assets, net of accumulated depreciation	<u>30,061</u>	<u>-</u>	<u>30,061</u>
Total assets	<u>\$ 129,537</u>	<u>\$ 464</u>	<u>\$ 130,001</u>
LIABILITIES AND NET ASSETS			
Current liabilities:			
Cash overdraft	\$ 511,813	\$ 29,592	\$ 541,405
Accounts payable	75,495	12,465	87,960
Accrued wages	23,386	-	23,386
Accrued retiree benefit premiums	<u>-</u>	<u>152,697</u>	<u>152,697</u>
Total current liabilities	<u>610,694</u>	<u>194,754</u>	<u>805,448</u>
Net assets:			
Invested in capital assets, net of related debt	30,061	-	30,061
Unrestricted (deficit)	<u>(511,218)</u>	<u>(194,290)</u>	<u>(705,508)</u>
Total net assets	<u>(481,157)</u>	<u>(194,290)</u>	<u>(675,447)</u>
Total liabilities and net assets	<u>\$ 129,537</u>	<u>\$ 464</u>	<u>\$ 130,001</u>

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED APRIL 30, 2011

	Vehicle Maintenance <u>Fund</u>	Employees Benefits <u>Fund</u>	<u>Total</u>
Operating revenues, charges for services	\$ 1,194,941	\$ 3,424,042	\$ 4,618,983
Operating expenses:			
Personal services	431,926	-	431,926
Cost of fuel and parts sold	1,051,918	-	1,051,918
Insurance claims and premiums paid	-	3,865,475	3,865,475
Other services and charges	123,092	264,021	387,113
Depreciation	6,792	-	6,792
Total operating expenses	<u>1,613,728</u>	<u>4,129,496</u>	<u>5,743,224</u>
Operating loss	(418,787)	(705,454)	(1,124,241)
Nonoperating revenues:			
Investment earnings	<u>-</u>	<u>7,510</u>	<u>7,510</u>
Change in net assets	(418,787)	(697,944)	(1,116,731)
Total net assets, beginning of year	<u>(62,370)</u>	<u>503,654</u>	<u>441,284</u>
Total net assets, end of year	<u>\$ (481,157)</u>	<u>\$ (194,290)</u>	<u>\$ (675,447)</u>

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED APRIL 30, 2011

	Vehicle Maintenance <u>Fund</u>	Employees Benefit <u>Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from services	\$ 1,199,024	\$ 3,423,578	\$ 4,622,602
Payments for personal services	(425,108)	-	(425,108)
Payments to vendors and suppliers	<u>(1,086,373)</u>	<u>(4,397,518)</u>	<u>(5,483,891)</u>
Net cash provided used by operating activities	<u>(312,457)</u>	<u>(973,940)</u>	<u>(1,286,397)</u>
Cash flows from investing activities:			
Redemption of investments	-	9,460	9,460
Interest income	<u>-</u>	<u>7,510</u>	<u>7,510</u>
Net cash provided by investing activities	<u>-</u>	<u>16,970</u>	<u>16,970</u>
Cash flows from capital related activities:			
Purchase of capital assets	<u>(5,945)</u>	<u>-</u>	<u>(5,945)</u>
Net increase in cash	(318,402)	(956,970)	(1,275,372)
Cash (overdraft) balance, beginning of year	<u>(193,411)</u>	<u>927,378</u>	<u>733,967</u>
Cash (overdraft) balance, end of year	<u>\$ (511,813)</u>	<u>\$ (29,592)</u>	<u>\$ (541,405)</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (418,787)	\$ (705,454)	\$ (1,124,241)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	6,792	-	6,792
Changes in net assets and liabilities:			
(Increase) in accounts receivable	4,083	(464)	3,619
Decrease in inventories	60,629	-	60,629
Increase (decrease) in accounts payable	28,008	(202,621)	(174,613)
Increase in accrued wages	6,818	-	6,818
Decrease in accrued retiree benefit premiums	<u>-</u>	<u>(65,401)</u>	<u>(65,401)</u>
Net cash used by operating activities	<u>\$ (312,457)</u>	<u>\$ (973,940)</u>	<u>\$ (1,286,397)</u>

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
APRIL 30, 2011

	Police Pension <u>Fund</u>	Fire Pension <u>Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 43,877	\$ 41,456	\$ 85,333
Investments, at market value:			
Money market accounts	603,879	159,489	763,368
Certificates of deposit	450,000	-	450,000
U.S. Government and Agency obligations	7,432,117	9,749,861	17,181,978
Equity funds	1,317,924	1,930,570	3,248,494
Equity mutual funds	13,325,523	5,913,141	19,238,664
Due from other funds	38,788	55,882	94,670
Total assets	<u>\$ 23,212,108</u>	<u>\$ 17,850,399</u>	<u>\$ 41,062,507</u>
LIABILITIES			
Accounts payable	\$ 25	\$ -	\$ 25
NET ASSETS			
Net assets:			
Held in trust for pension benefits	23,212,083	17,850,399	41,062,482
Total liabilities and net assets	<u>\$ 23,212,108</u>	<u>\$ 17,850,399</u>	<u>\$ 41,062,507</u>

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2011

	Police Pension Fund	Fire Pension Fund	Total
<u>ADDITIONS:</u>			
Contributions:			
Employer	\$ 1,380,729	\$ 2,226,394	\$ 3,607,123
Plan members	<u>361,849</u>	<u>314,324</u>	<u>676,173</u>
Total contributions	<u>1,742,578</u>	<u>2,540,718</u>	<u>4,283,296</u>
Investment income:			
Realized gains on investment sales and net appreciation in fair market value of investments	1,636,761	1,380,725	3,017,486
Interest/dividends	<u>630,061</u>	<u>433,083</u>	<u>1,063,144</u>
Total investment income	<u>2,266,822</u>	<u>1,813,808</u>	<u>4,080,630</u>
Less investment expense	<u>(72,751)</u>	<u>(54,730)</u>	<u>(127,481)</u>
Net investment income	<u>2,194,071</u>	<u>1,759,078</u>	<u>3,953,149</u>
Total additions	<u>3,936,649</u>	<u>4,299,796</u>	<u>8,236,445</u>
<u>DEDUCTIONS:</u>			
Benefits	1,920,492	2,393,060	4,313,552
Administrative expenses	<u>24,186</u>	<u>19,953</u>	<u>44,139</u>
Total deductions	<u>1,944,678</u>	<u>2,413,013</u>	<u>4,357,691</u>
Change in net assets	1,991,971	1,886,783	3,878,754
Net assets, beginning of year	<u>21,220,112</u>	<u>15,963,616</u>	<u>37,183,728</u>
Net assets, end of year	<u>\$23,212,083</u>	<u>\$ 17,850,399</u>	<u>\$ 41,062,482</u>

SUPPORTING SCHEDULES
UNAUDITED STATISTICAL INFORMATION

CITY OF PEKIN, ILLINOIS
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION*
LAST TEN FISCAL YEARS

SCHEDULE A

Year Ended April 30,	General Government	Public Safety	Highways and Streets	Sanitation	Library Services	Tourism	Zoning and Inspection	Debt Service	Public Land and Buildings	Public Works	Planning and Development	Capital Outlay	Total
2002	\$ 1,214,986	\$ 9,795,461	\$ 1,992,719	\$ 1,251,752	\$ 822,753	\$ 130,710	\$ 265,108	\$ 424,213	\$ 529,984	\$ 107,665	\$ 2,563,337	\$ 5,831,370	\$ 24,930,058
2003	1,438,585	10,549,088	2,519,149	1,292,922	871,355	106,392	292,045	329,090	497,749	212,221	3,475,488	3,627,877	25,211,961
2004	1,791,598	10,496,463	1,486,404	1,335,480	868,974	111,521	348,658	351,496	467,701	246,434	3,060,001	945,860	21,510,590
2005	1,768,134	11,463,165	2,118,021	2,052,959	984,015	61,538	355,188	185,293	533,335	127,606	2,501,056	2,505,552	24,655,862
2006	2,001,121	12,002,561	2,090,545	1,583,104	925,567	75,318	319,550	592,030	598,617	115,871	2,057,890	1,145,986	23,508,160
2007	1,601,064	12,955,743	2,873,107	1,482,562	950,476	56,942	390,833	980,546	750,801	148,087	1,159,219	3,574,997	26,924,377
2008	1,776,954	13,806,681	2,850,716	1,705,853	1,008,530	61,890	451,477	968,992	767,345	218,113	886,332	1,394,868	25,897,751
2009	1,421,801	14,345,011	3,626,573	1,869,204	1,058,861	107,291	458,952	1,231,356	847,601	254,135	2,781,391	2,009,831	30,012,007
2010	1,588,525	14,887,305	3,031,362	1,905,143	1,059,727	85,224	521,935	909,337	740,231	260,223	2,264,592	631,528	27,885,132
2011	1,752,354	15,658,256	2,582,900	1,863,561	1,105,317	141,268	519,373	882,457	872,608	298,627	896,267	778,354	27,351,342

*Includes General, Special Revenue and Capital Project Funds.

Source: Statement of Revenues, Expenditures, and Changes in Fund Balance 2002-2011.

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
GENERAL REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES*
LAST TEN FISCAL YEARS

<u>Year Ended</u> <u>April 30,</u>	<u>Taxes</u>	<u>Licenses</u> <u>and Permits</u>	<u>Intergovernmental</u>	<u>Fees and</u> <u>Charges</u> <u>for Services</u>	<u>Fines</u> <u>and</u> <u>Collections</u>	<u>Investment</u> <u>Earnings</u>	<u>Other</u> <u>Revenues</u>	<u>Total</u>
2002	\$ 16,363,324	\$ 250,873	\$ 1,282,976	\$ 1,049,418	\$ 299,358	\$ 825,000	\$ 1,068,787	\$ 21,139,736
2003	16,790,044	257,428	1,204,090	758,186	322,076	432,469	668,574	20,432,867
2004	17,876,951	288,024	930,756	802,372	332,516	177,808	623,908	21,032,335
2005	20,170,613	278,885	880,397	811,698	359,889	233,979	271,163	23,006,624
2006	20,854,387	276,348	1,188,403	1,182,499	410,201	468,236	805,731	25,185,805
2007	22,302,399	262,043	1,088,752	1,959,556	415,275	841,065	2,277,694	29,146,784
2008	23,352,920	290,739	485,555	1,106,192	362,158	753,664	573,760	26,924,988
2009	22,965,632	234,724	1,503,090	1,410,119	409,925	382,949	604,110	27,510,549
2010	23,224,827	231,856	611,306	1,192,604	657,508	375,821	794,835	27,088,757
2011	23,901,372	200,997	1,134,451	1,302,437	633,763	381,544	286,437	27,841,001

*Includes General, Special Revenue and Capital Project Funds.

Source: Statement of Revenues, Expenditures, and Changes in Fund Balance: 2002-2011.

This schedule is unaudited-see the accountant's report regarding this information.

SCHEDULE C

CITY OF PEKIN, ILLINOIS
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Year Ended April 30,	Property Taxes	Road and Bridge Tax	State Income Tax	State Sales/Use Taxes	Local Sales Tax	Food/Bev Tax	Packaged Liquor Tax	Local Motel Tax	Replacement Tax	State Motor Fuel Tax	Local Motor Fuel Tax	Foreign Fire Tax	Telecom. Tax	Total
2002	\$ 4,198,454	\$ 51,169	\$ 2,229,408	\$ 4,460,272	\$ 2,904,301	\$ -	\$ -	\$ 96,452	\$ 928,224	\$ 943,355	\$ 551,689	\$ 15,969	\$ -	\$ 16,379,293
2003	4,304,184	52,745	2,202,309	4,997,805	2,491,667	-	-	96,975	760,178	965,013	598,609	18,588	320,557	16,808,630
2004	4,335,019	41,143	1,992,404	5,031,084	2,613,422	-	-	110,461	845,746	963,059	660,369	23,509	1,284,244	17,900,460
2005	5,113,299	41,484	2,359,185	5,764,304	2,883,772	-	-	114,210	894,377	1,007,363	716,744	21,922	1,253,953	20,170,613
2006	5,211,430	47,432	2,618,891	5,399,625	3,269,159	-	-	140,786	1,343,376	976,137	687,546	25,459	1,160,005	20,879,846
2007	5,541,916	45,826	2,920,181	5,623,272	3,904,885	-	-	159,037	1,348,701	982,373	629,942	25,073	1,146,266	22,327,472
2008	5,738,892	46,957	3,189,883	5,700,610	4,262,912	-	-	162,007	1,482,914	945,211	594,124	23,561	1,231,410	23,376,481
2009	5,870,419	90,182	2,981,635	5,636,165	4,230,405	-	-	172,514	1,296,845	899,216	594,294	-	1,193,957	22,965,632
2010	6,197,568	85,503	2,611,283	5,318,971	4,200,862	905,008	165,258	95,025	1,125,851	854,452	562,248	-	1,102,798	23,224,827
2011	6,223,214	62,635	2,620,092	5,679,693	4,268,935	918,592	172,699	89,515	1,398,073	856,521	549,012	-	1,062,391	23,901,372

Source: Annual Financial Reports 2002-2011.

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
SCHEDULE OF 2010 TAX LEVY AND ESTIMATED COLLECTION IN 2011

Assessed valuation: \$ 451,888,805

	<u>Levy</u>	<u>Rate</u>	<u>Extension</u>	<u>Estimated Collection</u>
Taxes assessed:				
Corporate	\$ 1,256,007	.28496	\$ 1,256,024	\$1,243,464
Fire pension	2,221,363	.50398	2,221,403	2,199,189
Police pension	1,366,304	.30998	1,366,305	1,352,642
Library	1,048,325	.23822	1,048,338	1,037,855
Prior year adjustment	-	(.00079)	(3,477)	(3,477)
	<u>\$ 5,891,999</u>	<u>1.33635</u>	<u>\$ 5,888,593</u>	<u>5,829,673</u>

City's 50% share of Road and Bridge Tax levied by Township's within the City limits	<u>55,706</u>
	<u>\$5,885,379</u>

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
SCHEDULE OF PROPERTY TAXES LEVIED AND COLLECTED FOR LATEST THREE (3) YEAR PERIOD

Assessed valuation	2007 Levy				2008 Levy				2009 Levy			
	Levy	Rate	Extension	Total Collection	Levy	Rate	Extension	Total Collection	Levy	Rate	Extension	Total Collection
		<u>\$ 420,464,771</u>				<u>\$ 442,650,081</u>				<u>\$ 446,628,087</u>		
Taxes assessed:												
Corporate	\$ -	-	\$ -	\$ -	\$ -	-	-	\$ -	\$ 658,592	.14736	\$ 658,151	\$ 666,002
IMRF	-	-	-	-	-	-	-	-	474,885	.10625	474,542	474,243
Police protection	1,045,597	.2485	1,044,813	1,046,286	860,837	.1943	860,201	\$ 851,599	-	-	-	-
Fire protection	1,045,597	.2485	1,044,813	1,046,285	860,837	.1943	860,201	851,599	-	-	-	-
Fire pension	1,457,247	.3463	1,456,111	1,458,162	1,807,071	.4079	1,805,746	1,787,689	2,170,230	.48554	2,168,558	2,170,512
Police pension	840,749	.1998	840,131	841,313	1,116,695	.2521	1,115,876	1,104,717	1,341,733	.30019	1,340,733	1,341,941
Library	974,054	.2315	973,335	974,705	1,022,756	.2309	1,021,947	1,011,728	1,022,756	.22884	1,022,063	1,022,010
	<u>\$5,363,244</u>	<u>1.2746</u>	<u>\$5,359,203</u>	<u>5,366,751</u>	<u>\$5,668,196</u>	<u>1.2795</u>	<u>\$ 5,663,971</u>	<u>5,607,332</u>	<u>\$ 5,668,196</u>	<u>1.26818</u>	<u>\$ 5,664,047</u>	<u>5,674,708</u>
City's 50% share of Road and Bridge Tax levied by Townships within City limits				<u>90,182</u>				<u>90,182</u>				<u>62,635</u>
				<u>\$ 5,456,933</u>				<u>\$ 5,697,514</u>				<u>\$ 5,737,343</u>

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
POLICE PENSION AND FIRE PENSION FUNDS
SCHEDULE OF FUNDING PROGRESS
LAST TEN FISCAL YEARS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
POLICE PENSION FUND:						
4/30/10	\$ 21,220,112	\$ 37,724,433	\$ 16,504,321	56.3%	\$ 3,219,123	512.70%
4/30/09	19,136,989	35,556,321	16,419,332	53.8%	3,347,537	490.5%
4/30/08	20,969,340	33,647,827	12,678,487	62.3%	3,263,096	388.54%
4/30/07	20,303,661	32,896,806	12,593,145	61.7%	3,023,780	416.47%
4/30/06	18,923,821	28,268,185	9,344,364	66.9%	2,874,491	325.08%
4/30/05	17,634,193	30,157,842	12,523,649	58.47%	2,728,251	459.04%
4/30/04	17,259,200	28,606,668	11,347,468	60.33%	2,632,320	431.08%
4/30/03	16,429,992	28,094,070	11,664,078	58.48%	2,534,807	460.16%
4/30/02	16,623,145	26,506,773	9,883,628	62.71%	2,491,659	396.67%
4/30/01	16,195,153	24,988,934	8,793,781	64.81%	2,364,771	371.87%
FIRE PENSION FUND:						
4/30/10	\$ 15,963,616	\$ 44,005,491	\$ 28,041,875	36.3%	\$ 3,284,976	853.6%
4/30/09	13,682,722	42,749,824	29,067,102	32.0%	3,022,445	961.7%
4/30/08	15,707,222	39,302,791	23,595,569	39.96%	2,839,776	830.90%
4/30/07	15,200,255	37,490,700	22,290,445	40.54%	2,882,426	773.32%
4/30/06	13,812,012	33,400,183	19,588,171	41.4%	2,699,849	725.53%
4/30/05	12,538,583	34,115,286	21,576,703	36.75%	2,488,770	866.96%
4/30/04	11,867,118	32,634,687	20,767,569	36.36%	2,397,089	866.37%
4/30/03	10,864,171	30,698,486	19,834,315	35.39%	2,342,718	846.64%
4/30/02	10,768,673	29,659,438	18,890,765	36.31%	2,200,420	858.51%
4/30/01	11,194,200	28,912,103	17,717,903	38.72%	2,096,156	845.26%

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
POLICE AND FIRE PENSION FUNDS
STATEMENT OF REVENUES AND OTHER RECEIPTS AND EXPENDITURES
LAST TEN FISCAL YEARS

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
POLICE PENSION FUND										
Revenues and other receipts:										
Property taxes	\$ 1,341,941	\$ 1,115,209	\$ 841,313	\$ 985,094	\$ 913,213	\$ 888,570	\$ 795,284	\$ 672,249	\$ 672,455	\$ 698,423
Replacement taxes	38,788	35,743	31,967	33,882	30,542	26,008	26,000	29,266	27,443	23,728
Payroll deductions/member contributions	361,849	330,171	331,027	328,452	385,141	286,590	284,377	258,921	248,563	244,020
Investment earnings (losses)	2,266,822	2,493,686	(1,291,720)	1,020,839	1,610,107	1,665,983	576,308	1,218,250	121,893	599,966
Total revenue and other receipts	4,009,400	3,974,809	(87,413)	2,368,267	2,939,003	2,867,151	1,681,969	2,178,686	1,070,354	1,566,137
Expenditures:										
Benefit payments	1,920,492	1,803,038	1,657,895	1,615,569	1,465,744	1,380,307	1,279,161	1,278,575	1,192,929	1,071,395
Other services and charges	96,937	88,648	87,043	87,019	93,419	131,447	93,584	70,903	70,578	76,750
Total expenditures	2,017,429	1,891,686	1,744,938	1,702,588	1,559,163	1,511,754	1,372,745	1,349,478	1,263,507	1,148,145
Change in net assets	\$ 1,991,971	\$ 2,083,123	\$ (1,832,351)	\$ 665,679	\$ 1,379,840	\$ 1,355,397	\$ 309,224	\$ 829,208	\$ (193,153)	\$ 417,992
FIRE PENSION FUND										
Revenues and other receipts:										
Property taxes	\$ 2,170,512	\$ 1,804,667	\$ 1,458,161	\$ 1,519,422	\$ 1,458,345	\$ 1,368,553	\$ 1,361,370	\$ 1,171,166	\$ 1,171,510	\$ 1,113,588
Replacement taxes	55,882	48,671	48,065	53,007	44,652	39,380	39,796	39,845	33,530	36,472
Payroll deductions/member contributions	314,324	320,935	333,368	315,441	338,429	272,209	250,244	212,298	204,940	197,962
Investment earnings (losses)	1,813,808	2,464,692	(1,745,248)	661,570	1,462,852	1,383,298	709,021	1,148,193	194,562	(322,142)
Total revenues and other receipts	4,354,526	4,638,965	94,346	2,549,440	3,304,278	3,063,440	2,360,431	2,571,502	1,604,542	1,025,880
Expenditures:										
Benefit payments	2,393,060	2,285,627	2,049,254	1,968,109	1,842,947	1,717,434	1,643,907	1,505,541	1,430,246	1,353,526
Other services and charges	74,683	72,444	69,592	74,364	73,088	64,887	52,749	63,014	78,798	97,881
Total expenditures	2,467,743	2,358,071	2,118,846	2,042,473	1,916,035	1,782,321	1,696,656	1,568,555	1,509,044	1,451,407
Change in net assets	\$ 1,886,783	\$ 2,280,894	\$ (2,024,500)	\$ 506,967	\$ 1,388,243	\$ 1,281,119	\$ 663,775	\$ 1,002,947	\$ 95,498	\$ (425,527)

Source: City of Pekin, Illinois Annual Financial Statements: 2002-2011.

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
MISCELLANEOUS STATISTICS
APRIL 30, 2011

Date of Incorporation	August 21, 1849
Form of Government	Council-Manager
Area	14.9 square miles
Miles of Streets	212 miles
Number of Street Lights	2,668
Fire Protection:	
Number of Stations	3
Number of Firemen and Officers	53
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	55
Sewers:	
Sanitary Sewers	130 miles
Storm Sewers	100 miles
Combination	45 miles
New Residential Building Permits Issued	19
Library:	
Number of Volumes	117,387
Employees:	
Administrative	38
Union	273
Other	<u>29</u>
Total	<u>340</u>

This schedule is unaudited-see the accountant's report regarding this information.

OTHER REPORTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the City Council
City of Pekin, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pekin, Illinois, as of and for the year ended April 30, 2011, which collectively comprise the City of Pekin, Illinois' basic financial statements and have issued our report thereon dated November 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Pekin, Illinois' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Pekin, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Pekin, Illinois' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Pekin, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of City of Pekin, Illinois, in a separate letter dated November 28, 2011.

This report is intended solely for the information and use of management, City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Willock Warning & Co, PC

WILLOCK WARNING & CO., P.C.

November 28, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the City Council
City of Pekin, Illinois

Compliance

We have audited the City of Pekin, Illinois' compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2011. The City of Pekin, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Pekin, Illinois' management. Our responsibility is to express an opinion on the City of Pekin, Illinois' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Pekin, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Pekin, Illinois' compliance with those requirements.

In our opinion, the City of Pekin, Illinois, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2011.

Internal Control Over Compliance

The management of the City of Pekin, Illinois, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Pekin, Illinois' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Pekin, Illinois' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Willock Warning & Co, PC

WILLOCK WARNING & CO., P.C.
November 28, 2011

CITY OF PEKIN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED APRIL 30, 2011

<u>Federal Grantor/Pass-through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development:		
Direct Programs:		
Community Development Block Grant	14.218	<u>\$ 442,841</u>
U.S. Environmental Protection Agency:		
Congressional Mandated Projects	66.202	<u>\$ 257,366</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF PEKIN, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED APRIL 30, 2011

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Pekin, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

The Community Development Block Grant is reported in the financial statements in the HUD Metro Development Fund, a nonmajor governmental fund.

The Environmental Protection Agency Grant is reported in the financial statements in the Sewerage Fund, a major proprietary fund.

NOTE B - GRANT YEARS OF PROGRAMS-COMMUNITY DEVELOPMENT BLOCK GRANT

Expenditures of the Community Development Block Grant were made from the following program years:

Program year 2009	\$ 194,670
Program year 2010	<u>248,171</u>
Total	<u>\$ 442,841</u>

Unspent grant funds from Program Year 2010 totaling \$59,591 were allocated to the 2011 fiscal year budgeted expenditures.

NOTE C - PROJECT GRANT-ENVIRONMENTAL PROTECTION AGENCY

The total project grant is \$481,100, of which \$257,366 was received in fiscal year 2011 for sewer expansion costs incurred by the City of Pekin.

CITY OF PEKIN, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED APRIL 30, 2011

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Pekin.
2. No significant deficiencies in internal control were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the City of Pekin, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit.
5. The auditor's report on compliance for the major federal award programs for the City of Pekin expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs included:
CFDA No. 14.218 - U.S. Department of Housing and Urban Development-Community Development Block Grant.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The City of Pekin did not qualify as a low-risk auditee because single audits were not performed on an annual basis for each of the last two years.

WILLOCK WARNING & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

23 OLT AVENUE
PEKIN, ILLINOIS 61554

TELEPHONE (309) 347-3152
FAX (309) 347-3153

January 16, 2012

Dear Mayor and City Council Members:

Attached is an outline of the items I plan to review with you next Monday regarding the City's financial statements for the year ended April 30, 2011. I will attempt to condense my remarks within the limited time allotted. If anyone has questions on the report, please do not hesitate to contact me.

I look forward to seeing you on January 23rd.

Sincerely,


James Warning, CPA

JW/dl
Enclosures, as above

CITY OF PEKIN, ILLINOIS
OUTLINE OF DISCUSSION OF ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2011
(Numbers are rounded)

Page					
Reference	<u>Assets, Liabilities, Fund Balance-All Funds</u>	<u>4/30/11</u>	<u>4/30/2010</u>	<u>4/30/2009</u>	<u>4/30/08</u>
16,20	Cash and investments	\$ 20,400,000	\$20,900,000	\$ 21,545,000	\$ 23,522,000
	Receivables (taxes, accounts, loans)	7,970,000	7,115,000	6,342,000	6,462,000
	Accounts payable and accrued wages	1,400,000	1,005,000	1,095,000	1,490,000
	Current assets in excess of current liabilities	26,835,000	27,038,000	27,136,000	28,494,000
	Fund balance/net assets	41,925,000	41,631,000	41,301,000	42,937,000
	<u>Revenues & Expenditures</u>	<u>FY11</u>	<u>FY10</u>	<u>FY09</u>	<u>FY08</u>
18	Governmental Funds:				
	Total revenues (detail on p. 68)	\$ 27,841,000	\$27,089,000	\$ 27,511,000	\$ 26,925,000
	Expenditures:				
	Current	25,691,000	26,345,000	26,771,000	23,534,000
	Debt service	882,000	909,000	1,231,000	969,000
	Capital outlay	778,000	631,000	2,010,000	1,395,000
	Total expenditures (detail on p. 67)	27,351,000	27,885,000	30,012,000	25,898,000
	Excess (deficiency) of revenues before transfers	\$ 490,000	\$ (796,000)	\$ (2,501,000)	\$ 1,027,000
	<u>Enterprise Funds:</u>				
21	Total revenues	\$ 6,407,000	\$ 5,223,000	\$ 5,359,000	\$ 4,684,000
	Operating expenses	(4,707,000)	(3,360,000)	(3,734,000)	(3,316,000)
	Depreciation	(765,000)	(736,000)	(764,000)	(746,000)
	Net income before transfers	\$ 935,000	\$ 1,127,000	\$ 861,000	\$ 622,000

CITY OF PEKIN, ILLINOIS
SCHEDULE OF ACTIVITIES-CORE GOVERNMENTAL SERVICES*
FOR THE YEAR ENDED APRIL 30, 2011

	<u>FY 2011</u>	<u>FY2010</u>	<u>FY 2009</u>	<u>FY 2008</u>
CORE GOVERNMENTAL SERVICE COSTS:				
General government/administration	\$ 1,562,588	\$ 1,361,743	\$ 1,219,496	\$ 1,556,899
Public safety (police and fire)	12,051,133	11,883,015	11,965,505	11,215,276
Public lands and buildings	872,608	740,231	847,601	767,345
Zoning and inspections	519,373	521,935	458,952	451,477
Public works	298,627	260,223	254,135	218,113
Streets (Street Dept. and MFT)	2,582,900	3,031,362	3,626,573	2,850,716
Sanitation (includes debt service)	1,955,217	1,977,522	1,943,993	1,783,033
Planning and development	-	-	159,594	130,584
Tourism	141,268	85,224	107,291	61,890
Debt service (General Fund)	405,184	416,102	424,560	463,466
Total costs	<u>\$ 20,388,898</u>	<u>\$ 20,277,357</u>	<u>\$ 21,007,700</u>	<u>\$ 19,498,799</u>
GENERAL REVENUES:				
Property taxes	\$ 1,202,880	\$ 1,785,346	\$ 2,182,753	\$ 1,833,946
Sales tax-state	5,419,095	5,095,466	5,424,439	5,505,752
Sales taxes-local (sales & motel)	4,078,136	3,969,621	4,141,672	4,184,225
State taxes-local food/beverage/liquor)	1,091,291	1,070,266	-	-
Income taxes	2,620,092	2,611,283	2,981,635	3,189,883
Replacement taxes	1,193,197	1,050,952	1,187,490	1,363,482
Motor fuel tax-state	856,521	854,452	899,216	945,211
Motor fuel tax-local (General Fund's share)	274,506	259,824	298,540	297,078
Telecommunication tax	1,062,391	1,102,798	1,193,957	1,231,410
Foreign fire insurance tax	-	-	-	23,561
Intergovernmental	551,906	301,861	181,880	246,027
Franchise fees	497,548	563,409	497,502	502,519
Fire protection fees	431,892	443,395	380,162	371,315
Charges for services	134,876	92,673	253,412	48,547
Fines and collections/rentals/sales	828,982	774,668	721,239	584,340
Licenses and permits	200,997	231,856	234,724	290,739
Reimbursements/restitutions	183,539	234,211	199,301	115,755
Investment earnings	329,332	317,938	308,625	572,866
Other	48,452	125,065	110,297	31,779
Total revenues	<u>21,005,633</u>	<u>20,885,084</u>	<u>21,196,844</u>	<u>21,338,435</u>
Revenues over costs	<u>\$ 616,735</u>	<u>\$ 607,727</u>	<u>\$ 189,144</u>	<u>\$ 1,839,636</u>
CAPITAL COSTS OF CORE GOVERNMENTAL SERVICES DEPARTMENTS	<u>\$ 670,559</u>	<u>\$ 384,424</u>	<u>\$ 1,726,872</u>	<u>\$ 908,542</u>

* This schedule excludes operations of the Library Fund, the HUD Fund, and the TIF/CBD Fund.

This schedule excludes operations of the Sewerage, School Bus, and Airport Funds because their revenues are generated by user fees.

Public safety costs exclude property and replacement taxes received by the police and fire pension funds but reported as employer contributions in the pension funds' financial statements and as public safety costs in the general fund's financial statements.

Capital costs are not included in the core governmental services costs although it is reasonable to expect several departments to incur a certain amount of capital costs annually in order to be able to provide basic services. The total costs are shown separately.

CITY OF PEKIN, ILLINOIS
SCHEDULE OF PERSONNEL COSTS
FOR THE YEARS ENDED APRIL 30, 2008-2011

	<u>FY2011</u>	<u>FY2010</u>	<u>FY2009</u>	<u>FY2008</u>
General Fund:				
Administrative	\$ 360,861	\$ 268,735	\$ 256,346	\$ 243,750
Planning and Development	-	-	-	78,003
Clerk	129,252	84,304	80,871	79,261
Finance/Treasurer	222,777	280,634	185,299	200,707
Personnel	97,812	106,387	103,768	102,091
Information Technology	126,881	120,606	113,778	111,241
Street	751,745	723,006	721,790	720,361
Police	4,507,070	4,363,315	4,149,923	3,954,008
Fire	3,886,959	3,773,278	3,648,244	3,541,804
Public Works	241,752	207,903	198,018	172,249
Zoning and Inspection	344,107	360,754	344,278	337,920
Public Land and Buildings	290,698	276,248	308,762	296,547
Sanitation	676,837	682,641	670,383	619,391
Library Fund	643,235	640,185	614,185	587,886
HUD Metro Development Fund	141,579	122,961	105,448	134,476
Economic Development Fund	84,390	97,344	104,707	-
Sewerage Fund	515,360	504,782	596,610	487,577
School Bus Fund	1,509,553	797,582	727,561	719,916
Airport Fund	53,900	18,009	-	-
Vehicle Maintenance Fund	431,926	360,313	351,214	326,573
	<u>\$ 15,016,694</u>	<u>\$13,788,987</u>	<u>\$ 13,281,185</u>	<u>\$ 12,713,761</u>

Personnel costs include gross wages, social security and medicare costs, and IMRF costs.

**CITY OF PEKIN, ILLINOIS
DEBT SERVICE SCHEDULE
AS OF APRIL 30, 2011**

LONG-TERM DEBT

Page
Reference
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	Balance 4/30/10	Additions	Retirements	Balance 4/30/11
<u>General Obligation Debt</u>				
Series 2003 (General)	\$ 340,000	\$ -	\$ (110,000)	\$ 230,000
Series 2004 Refunding (TIF)	570,000	-	(185,000)	385,000
Series 2004 (General-34%)	478,158	-	(125,375)	352,783
(TIF-49%)	694,010		(180,688)	513,322
(Sanitation-17%)	244,179		(62,687)	181,492
Series 2005 (General)	560,000	-	(112,000)	448,000
Series 2010 (Sewerage)	-	7,110,000	-	7,110,000
Total	<u>\$ 2,886,347</u>	<u>\$ 7,110,000</u>	<u>\$ (775,750)</u>	<u>\$ 9,220,597</u>

Page
Reference
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ANNUAL DEBT SERVICE REQUIREMENTS

Year Ending April 30,	Principal	Interest	Total
2012	\$ 1,065,750	\$ 286,861	\$ 1,352,611
2013	1,080,750	253,901	1,334,651
2014	712,097	220,032	932,129
2015	412,000	203,890	615,890
2016	300,000	192,891	492,891
2017-2021	1,600,000	856,484	2,456,484
2022-2026	1,845,000	598,011	2,443,011
2027-2031	2,205,000	225,944	2,430,944
Total	<u>\$ 9,220,597</u>	<u>\$ 2,838,014</u>	<u>\$ 12,058,611</u>

CITY OF PEKIN, ILLINOIS
COMPARISON OF VARIOUS TAX REVENUES RECEIVED BY MONTH*
2011, 2010, 2009, and 2008

	Month Received								8-Month Totals
	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	
<u>State Sales Tax</u>									
2011	\$ 401,999	\$ 453,767	\$ 418,493	\$ 407,570	\$ 450,433	\$ 450,137	\$ 435,308	\$ 433,117	\$ 3,450,824 (-.02%)
2010	415,471	429,024	428,400	445,534	454,839	438,945	414,120	425,065	3,451,398 (+3.9%)
2009	367,163	420,284	454,462	433,540	426,311	402,777	396,736	420,858	3,322,131 (-5.2%)
2008	406,508	433,050	431,606	458,033	451,609	455,823	442,346	426,469	3,505,444
<u>State Use Tax</u>									
2011	\$ 39,482	\$ 44,013	\$ 41,120	\$ 40,063	\$ 44,267	\$ 35,430	\$ 42,197	\$ 32,003	\$ 318,575 (+30.8%)
2010	22,438	44,778	34,077	32,303	41,678	34,647	-	33,571	243,492 (-10.0%)
2009	30,181	36,212	36,974	31,273	41,582	33,039	29,513	31,855	270,629 (-17.0%)
2008	33,684	43,127	39,769	36,569	44,945	37,623	47,380	43,043	326,140
<u>Local Sales Tax</u>									
2011	\$ 291,301	\$ 342,267	\$ 330,172	\$ 344,717	\$ 342,236	\$ 339,703	\$ 333,689	\$ 339,238	\$ 2,663,323 (+.7%)
2010	310,147	337,679	337,534	349,399	332,330	332,526	319,903	325,014	2,644,532 (+5.7%)
2009	281,614	319,368	307,095	333,940	324,173	309,168	303,341	323,032	2,501,731 (-7.1%)
2008	291,754	323,412	326,279	362,192	352,315	346,024	363,761	325,751	2,691,488

*Information taken from vendor warrants issued by State of Illinois Comptroller's Office.

CITY OF PEKIN, ILLINOIS
COMPARISON OF VARIOUS TAX REVENUES RECEIVED BY MONTH*
2011, 2010, 2009, and 2008

	Month Received								8- Month Totals
	May	June	July	August	September	October	November	December	
<u>State Income Tax</u>									
2011	\$ -	\$ 287,317	\$ 389,830	\$ 314,974	\$ 203,521	\$ -	\$ 263,650	\$ 181,383	\$ 1,640,675 (+13.3%)
2010	-	249,965	428,845	255,737	513,011	-	-	-	1,447,558 (-10.9%)
2009	433,216	412,367	220,182	-	239,730	163,187	155,817	-	1,624,499 (-16.2%)
2008	515,606	275,620	-	305,115	177,910	171,047	-	494,222	1,939,520
<u>State Replacement Tax</u>									
2011	\$ 184,695	\$ -	\$ 332,070	\$ 63,997	\$ -	\$ 286,185	\$ -	\$ 41,341	\$ 908,288 (+1.0%)
2010	158,224	-	160,711	21,104	-	309,617	-	249,751	899,407 (+15.8%)
2009	257,385	-	207,093	21,275	-	236,486	-	54,759	776,998 (-14.6%)
2008	285,859	-	228,867	125,100	-	204,292	-	65,976	910,094
<u>Telecommunications Tax</u>									
2011	\$ 105,532	\$ 88,945	\$ 86,728	\$ 94,810	\$ 87,386	\$ 86,062	\$ 86,629	\$ 84,146	\$ 720,238 (+13.8%)
2010	68,812	116,565	87,802	90,206	90,458	88,997	90,061	-	632,901 (-14.6%)
2009	97,479	87,844	94,133	91,000	83,401	101,769	95,583	89,622	740,831 (-8.3%)
2008	100,151	89,114	101,971	103,707	109,003	99,359	100,990	103,730	808,025
<u>Grand Total 2011</u>									
\$ 9,701,923 (+4.1%)									
Grand Total 2010									
9,319,288 (+.9%)									
Grand Total 2009									
9,236,819 (-9.3%)									
Grand Total 2008									
10,180,711									

*Information taken from vendor warrants issued by State of Illinois Comptroller's Office.



REQUEST FOR COUNCIL ACTION

To: Mayor and Council

CC: City Clerk

From: Joseph W. Wuellner, City Manager

AGENDA ITEM: Agreement with ATR for Electronics Recycling

AGENDA DATE REQUESTED: January 9, 2012

ACTION REQUESTED: Approve the agreement with ATR (Advanced Technology Recycling) to pick up all electronic items at no charge to the City of Pekin.

DESCRIPTION: Effective January 1, 2012, no electronic items are allowed to be placed in a landfill. This means that an alternate means of collecting and disposing of electronic items (televisions, monitors, microwaves, keyboards, etc.) has to be utilized. We met representatives from ATR on this matter and they stated that they could provide the containers to collect the items and then send people to pick them up for disposal at no cost to the City. We will provide a secure location for the containers, (Street Department Facility) and set the times when people can drop off items.

Therefore, I recommend that this agreement be approved so that we will have a place and means to dispose of electronic items without an additional cost to the City or its residents.

FINANCIAL IMPACT: no cost

NEIGHBORHOOD CONCERNS: N/A

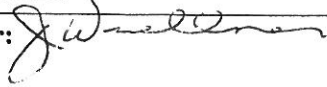
IMPACT IF APPROVED: An approved location will be established for the collection of electronic items will be designated

IMPACT IF DENIED: No approved location will be established and electronic items will not be disposed of properly

ALTERNATIVES: N/A

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark ✓ and paste it to the left of the relevant theme.]

	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improves the quality of life for Pekin's residents.
✓	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES**Department Director:**

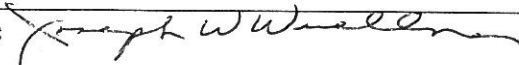
Date: 1/2/12

Finance Department (Certification of Availability of Funds):

Date: N/A

Corporation Counsel:

Date:

City Manager:

Date: 1/2/12

RECYCLING AGREEMENT

This Recycling Agreement between ATR and the City and Pekin entered into this _____ day of January 2012.

1. Background Information

ATR is committed to handling all of your equipment responsibly.

- ATR is committed to providing the clients with the highest asset recovery and recycling in a manner protective of the environment and worker health and safety.
- ATR is committed to the prevention of pollution and prevention of injury and ill health
- ATR is committed to the managing of used and end of life electronic equipment based on a re-use, recover, dispose hierarchy including on-site and downstream materials management throughout the recycling chain
- ATR is committed to the managing of Focus Materials as outlined in the Responsible Recycling (R2) Practices Standards with due diligence to protect our environment.
- ATR is committed to continuous improvement achieved through monitoring and rigorous evaluations
- ATR is committed to communicating and reinforcing this policy throughout our company, as well as to our customers, and suppliers and to the public.

2. Details of the City of Pekin Proposal

Term: 24 months with 12 month option.

Cancellation Fee: \$750.00

Where: City of Pekin location (1)

Pallets and Gaylords: Provided by ATR

Supplies and prepping for transportation: Provided by ATR

Logistics: Provided at ATR

Processing: No charge

Monitor: No charge

Televisions: No charge

The City's option to renew shall be exercised, within its sole discretion, by giving advance notice, in writing to ATR, at least 30 days prior to the end of the first term.

In addition, the City or ATR shall have the right to terminate this agreement, at any time, during its term, so long as 90 day advanced notice is given in writing of said termination.

3. ATR will collect, refurbish and recycle equipment collected from the City of Pekin Residences. All collections will include electronic recycling and possibly data destruction. An electronic collection and recycling services will be at **no charge** to the City of Pekin. The service includes ATR equipment pickup and transportation to ATR's locations and full service

recycling. Our full service recycling includes; equipment and supplies, prepping equipment for transportation from the City of Pekin indoor location, logistics for equipment to ATR and DOD data wipe,. Our current capabilities include collection, and processing, with additional focuses on refurbishing and remarketing. Reporting for recycled equipment will be offered at intervals requested by the City of Pekin.

This proposal and event is restricted to Residences only.

Proposed restrictions for area residences

No charges for recycling electronics, includes TV and monitors

Limit 10 electronic items to drop off.

Accepted items to be listed and provided.

4. ATR is currently involved with the Illinois DCEO E-Waste grant program and reports all collection and processing efforts to them on a quarterly basis. We furthermore are registered with the State of Illinois as a Collector/Refurbisher/Recycler and listed with our Local County and city as E-Scrap collectors and processors. ATR is a member of the Illinois Recycling Association and the National Association of Information Destruction (NAID)

a. FEIN: 83-0345248

b. EPA: 1050605049

ATR shall maintain in good standing its necessary registrations, permits, and government approvals during the term of this agreement and any extensions.

The equipment accepted is listed below. Items are subject to negotiation with The City of Pekin.

Items Accepted

- c. Computers, Monitors, Printers, Faxes, Copiers, Laptops, TV's
- d. Main Frames, Peripherals, Modems, Telephones, Answering Machines
- e. Adding Machines, Microwave Ovens, Scanners, DVD, VCR's, Stereo Equipment
- f. Pagers, CEL phones, Camera's, Camcorders, Video Games, Software, CD/DISC
- g. Books, Small Handheld Electronics, Cables, Calculators, Shredders, UPS's
- h. Electric Motors, Scanners, Plotters, Terminals

NOT Accepted:

- i. Small Kitchen appliances. i.e. toaster, Coffee pots, blenders,
- j. Air Conditioners, White Goods, Smoke Detectors, De-Humidifiers, Vacuum's, Car Batteries
- k. Fans, Refrigerators, Stoves, Dishwashers, fluorescent bulbs

5. Equipment collected is sorted for any re-marketable/re-buildable equipment first and foremost. We keep our overall cost as low as possible during the collection phase. ATR relies on as many remarketing dollars as possible to help offset the collection efforts. Items refurbished are marketed through our retail storefronts (2 stores), on our web store, donated to charitable organizations such as churches and schools where possible, and finally remarketed through the internet where all else fails. Equipment that doesn't meet specified standards is then processed for downstream markets such as steel, plastics, wire, circuit boards, etc. Some of our de-manufacturing is currently done in a partnership with a local company named "Futures Unlimited". Futures Unlimited employs a full time staff of trainers and supervisors that oversee mentally challenged workers. We selectively choose what is sent to them for processing, limiting their exposure to any potentially hazardous materials while enabling them to be successful in the de-manufacture process. Futures Unlimited currently de-manufactures PC's only. The remaining processing capacity is serviced from our Pontiac Illinois facilities. **Percentage of material expected to be recycled is 95% per load from a residential environment. The percentage of recycled goods has many factors, such as age and purpose/use of equipment.**

6. Data Security is of utmost importance, and ATR shall do the following: All hard drive and other magnetic media to be either software wiped using standard DOD compliant processes or physically destroyed via shredder or punch device. All processes are video recorded 7x24 via our online DVR systems, and guaranteed destruction services are available for anyone who wants to have their hard drive physically shredded. All other equipment that may contain personal information is to be screened and verified as "clean" prior to any remarketing efforts. If equipment is being de-manufactured then it is to be physically destroyed. These items could be CELL phones, thumb drives, PDA's, Blackberry's etc. All hard drive secure storage to be video recorded and physically locked 24 hours per day, 365 days per year. Additionally, all secure areas are to be controlled via proximity badge access that logs each entry and exit and is recorded and filed in the event identification of who was in a secure area is needed.

7. ATR shall adhere to all federal, states, and local guidelines as they pertain to solid waste management and hazardous materials. ATR is **ISO 14001:2004 and R2:2008** certified. All products shall be processed domestically.

8. ATR shall provide insurance, currently carried by Selective, Beasley and Beacon Hill Insurance, with limits as follows:

General Business Liability	\$1,000,000
Pollution Liability	\$5,000,000
Automobile Policies	\$1,000,000
Workman's Compensation	\$500,000
General Umbrella	\$2,000,000
Data Breach Coverage	\$1,000,000

9. Pricing for city of Pekin 2011 Electronic Recycling – Terms 24 months with 12 month extension

(a) Processing/recycling charges on a per pound and/or per unit basis

Processing Cost	<u>No charge</u> for covered CED and EED items.
Processing Cost	<u>No Charge non-covered CED and EED items</u>
Monitor and TV charge per pc	No Charge
Trucking transportation	No Charge
Supplies	No Charge

Please feel free to contact us should you have any questions.

Client: The City of Pekin

Advanced Technology Recycling

Accepted by: _____

Representative:  _____

Title: _____

Title: Account Executive -

Date: _____

Date: 12-30-2011

INTERGOVERNMENTAL AGREEMENT FOR POLICE PROTECTION SERVICES

THIS INTERGOVERNMENTAL AGREEMENT, made and entered into this 23rd day of January, 2012, by and between the HOUSING AUTHORITY OF THE CITY OF PEKIN, a municipal corporation, hereinafter referred to as the "PHA", and the CITY OF PEKIN, a municipal corporation and body politic, hereinafter referred to as the "CITY",

WITNESSETH:

WHEREAS, both the PHA and the CITY are authorized by the terms and provisions of Article VII, Section 10, of the Constitution of the State of Illinois, and the Intergovernmental Cooperation Act (5 ILCS 220/1 et seq.) to enter into intergovernmental agreements, ventures and undertaking to perform jointly any governmental purpose or undertaking, which either of them could do singularly.

NOW THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, it is agreed by and between the PHA and the CITY as follows, that:

1. The CITY shall authorize its police officers to provide police protection services to residents of the PHA when not scheduled to work for the City between the months of February, 2012 through January, 2013.

Police officers who choose to do so will provide the services as part-time employees of The PHA.

2. PHA shall pay the police officers at the rate of \$25 per hour for each officer's labor. PHA shall withhold all applicable payroll taxes.
3. PHA will designate the times and dates said services will be provided and who shall provide said services.
4. PHA shall carry workers compensation insurance in the limits required by law on all CITY police officers who perform work pursuant to this Agreement, but only for claims which may arise as a result of performing duties in accordance with this Agreement:
5. The CITY shall hold PHA harmless from and indemnify them, their commissioners, officers, employees and agents of and from any liability or claims which may arise from any third party who makes a claim against PHA as a result of any officer's action or conduct while performing duties pursuant to this Agreement. Further, CITY agrees, during the course of this Agreement, to maintain its self insurance program or to name PHA as "additional insured" on CITY's public liability insurance policy and said policy shall be of limits not less than One Million Dollars (\$1,000,000.00).
6. This Agreement has been approved by the City Council of the City of Pekin and the PHA Board of Commissioners, at a duly conducted meeting of each.

IN WITNESS WHEREOF, the parties hereto have executed and signed this Agreement as of the day and year first above written.

FOR THE CITY OF PEKIN

ATTEST

By: _____
its Mayor

By: _____
its City Clerk

FOR THE HOUSING AUTHORITY OF THE
CITY OF PEKIN

ATTEST:

By: _____
Karl Jordan Chairman

By: _____
Dennis Green
Secretary



REQUEST FOR COUNCIL ACTION

To: Mayor and City Council

CC: City Manager Joseph Wuellner

From: Darin W. Girdler, Assistant City Manager

AGENDA ITEM: Ordinance No. 2649 - 11/12 Establishing Procedure For Sale or Lease of Surplus Public Real Estate.

AGENDA DATE REQUESTED: January 23, 2012

ACTION REQUESTED: Approve Ordinance.

DESCRIPTION: As previously discussed this ordinance would allow the City to more efficiently handle the process of disposing or leasing surplus properties. This ordinance would allow the City Manager, or his designee, to negotiate the price and terms that would then be presented to the City Council for approval by a 3/4 vote.

FINANCIAL IMPACT:

IMPACT IF APPROVED: Provides for efficient process.

IMPACT IF DENIED:

ALTERNATIVES: Continue with the same process which requires the public hearing process that can cause delays in the negotiations.

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark ✓ and paste it to the left of the relevant theme.]

	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.
✓	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES

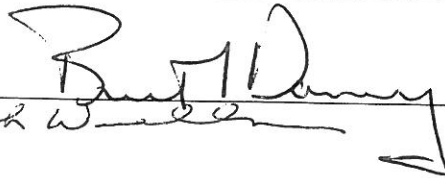
Department Director:

Date: 01/13/12



Corporation Counsel:

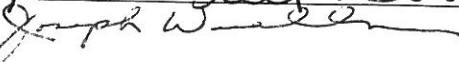
Date: 01/13/12



City Manager:

Date:

1/13/12



ORDINANCE NO. 2649-11/12

ORDINANCE ESTABLISHING PROCEDURE FOR SALE OR LEASE OF SURPLUS
PUBLIC REAL ESTATE

WHEREAS, the City of Pekin is a home-rule municipality in accordance with the constitution of the State of Illinois of 1970; and

WHEREAS, the City of Pekin has the authority, in accordance with its police powers, to adopt ordinance to protect health, safety and welfare of its citizens; and

WHEREAS, the City of Pekin has from time-to-time acquired, and continues to expect to acquire, various parcels of real property which comprise the City of Pekin's real property holdings ("Property"); and

WHEREAS, certain parcels of the Property constitute surplus public real estate ("Surplus Real Estate") because it was not purchased for use by the public and has not been designated for public use; and

WHEREAS, the City of Pekin has determined that in order to maximize the development or redevelopment of the Property, it is in the best interests of the City to offer the Surplus Real Estate to the private sector for sale and/or lease; and

WHEREAS, it is necessary that the City of Pekin adopt a procedure for the sale and/or lease of the Surplus Real Estate.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Pekin as follows:

Section 1: The facts and statements contained in the preamble to this ordinance are found to be true and correct and are hereby adopted as part of this ordinance.

Section 2: The corporate authorities shall determine the method by which the Surplus Real Estate shall be offered to the private sector for sale and/or lease, and in so doing, the corporate authorities must specify the location of the Surplus Real Estate, the use thereof, and such conditions with respect to the development and use of the Surplus Real Estate as the corporate authorities may deem necessary and desirable to the public interest.

Section 3: The corporate authorities may negotiate, through the City Manager, or his designated representatives, the price and terms of the sale and/or lease of Surplus Real Estate, in whole or in part, that the corporate authorities determine to be in the best interests of the City.

Section 4: The corporate authorities may select any proposal for sale and/or lease of Surplus Real Estate, in whole or in part, that the corporate authorities determine to be in the best interests of the City.

Section 5: The corporate authorities may lease Surplus Real Estate for any term not exceeding ninety-nine (99) years.

Section 6: The corporate authorities may authorize the execution of a purchase and sale agreement, or lease of Surplus Real Estate, in whole or in part, by resolution passed by an affirmative vote of three quarters (3/4) of the corporate authorities. However, the City Manager is authorized to execute those leases which do not exceed two (2) years in duration without passing an authorizing resolution.

Section 7: This ordinance shall take effect upon its passage, and approval according to law.

PASSED AND APPROVED at the regular meeting of the City Council of the City of Pekin, this _____ day of _____, 2012; and upon roll call the vote was as follows:

AYES:

NAYS:

ABSENT:

ABSTAINING:

APPROVED this _____ day of _____, 2012

Mayor

ATTEST:

City Clerk



REQUEST FOR COUNCIL ACTION

To: Mayor and City Council

CC: City Manager Joseph Wuellner

From: Darin W. Girdler, Assistant City Manager

AGENDA ITEM: Ordinance No. _____ Authorizing the Execution of an Exchange Agreement as Attached.

AGENDA DATE REQUESTED: January 9, 2012

ACTION REQUESTED: Authorize Execution of the Agreement for the Exchange of Property Necessary for the Veterans Parkway Project.

DESCRIPTION: Exchanging 19.1248 acres, more or less, of City property for 11.953 acres, more or less (consisting of two parcels), necessary for the continued acquisition of right-of-way acquisition for the Veterans Parkway Project. In addition to the consideration of the exchange of property at the ratio of 1.6 acres to 1 acre, the City, via IDOT, will pay to relocate two center-pivot irrigation systems and remove a small grove of trees and possible foundation from a previous structure. SEE ATTACHED DRAWING.

FINANCIAL IMPACT: \$56,637.16 for the relocation of the irrigation systems and up to \$5,325.00 for the tree clearing and possible foundation removal – all reimbursed by IDOT.

NEIGHBORHOOD CONCERNS:

IMPACT IF APPROVED: Continued progress toward acquisition of needed right-of-way for Veterans Drive Project.

IMPACT IF DENIED: Project delays.

ALTERNATIVES: Pay cash for right-of-way instead of exchange. In this case, the owner prefers the exchange to avoid paying any capital gains. Additional compensation for the capital gain would inflate the 'value' of the land likely affecting the acquisition prices for additional parcels in the future.

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark ✓ and paste it to the left of the relevant theme.]

	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
✓	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.
	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES**Department Director:**

Date: 01/06/12

Finance Department (Certification of Availability of Funds):

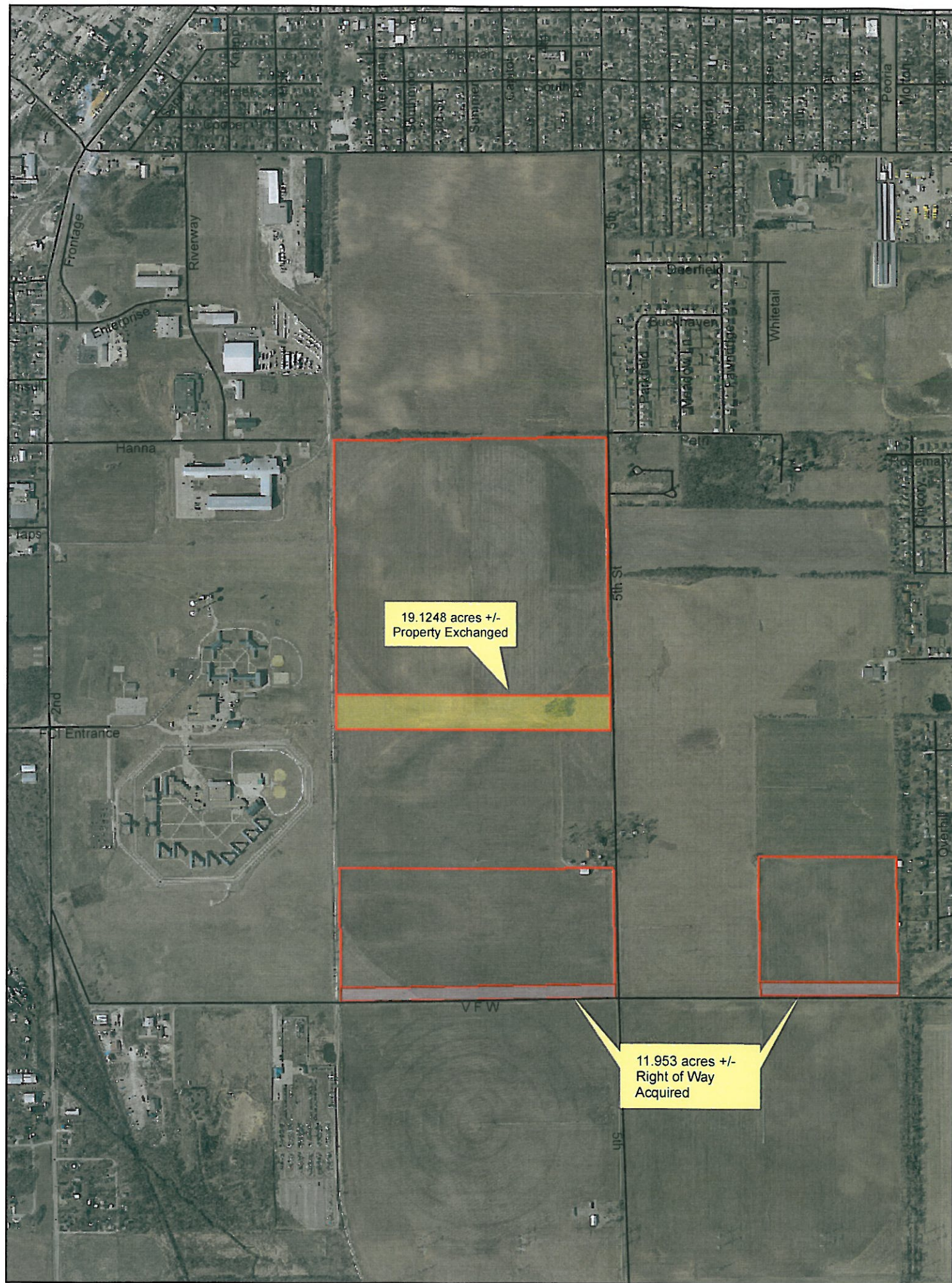
Date: 01-06-12

Corporation Counsel:

Date:

City Manager:

Date: 1/6/12



19.1248 acres +/-
Property Exchanged

11.953 acres +/-
Right of Way
Acquired

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE EXECUTION OF AN EXCHANGE AGREEMENT BY AND BETWEEN CITY OF PEKIN (the "City"), AN ILLINOIS MUNICIPAL CORPORATION AND NORMAN IRWIN, NOT PERSONALLY BUT AS TRUSTEE UNDER THE PROVISIONS OF A TRUST AGREEMENT INCORPORATED IN THE LAST WILL AND TESTAMENT OF ALBERT F. SMITH, DATED FEBRUARY 6, 2003 (the "Owner").

WHEREAS, the City in conjunction with the Illinois Department of Transportation ("IDOT") are in the process of acquiring certain parcels necessary for right-of-way for the Veterans Parkway Project (the "Project"); and,

WHEREAS, the Owner is the owner of certain parcels of property necessary for the Project.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS AS FOLLOWS:

SECTION ONE: That the execution of the attached Exchange Agreement between the City and the Owner is hereby authorized.

SECTION TWO: That the Mayor and the City Clerk are hereby granted authority to execute the Exchange Agreement and all endorsements thereto.

SECTION THREE: That this Ordinance shall be effective immediately upon its passage and approval as required by law.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Pekin, this _____ day of _____, 2012; and upon roll call the vote was as follows:

AYES:

NAYS:

ABSENT:

ABSTAINING:

MAYOR

ATTEST:

CITY CLERK

EXCHANGE AGREEMENT

This Agreement is made this 22nd day of December, 2011, by and between CITY OF PEKIN, an Illinois municipal corporation (the "City") and NORMAN IRWIN, not personally but as TRUSTEE UNDER THE PROVISIONS OF A TRUST AGREEMENT INCORPORATED IN THE LAST WILL AND TESTAMENT OF ALBERT F. SMITH, DATED FEBRUARY 6, 2003 (the "Owner").

WHEREAS, the Owner is the owner of certain parcels of property, totaling 11.953 acres, more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Irwin Property"); and

WHEREAS, the City is the owner of 19.1248 acres, more or less, legally described as:

The south 19.1248 acres of the Southeast Quarter of Section 10, Township 24 North, Range 5 West of the Third Principal Meridian, Tazewell County, Illinois.

Tax ID No. 10-10-10-400-011

(The "City Property"); and

WHEREAS, the City desires to acquire the Irwin property, and Owner will agree to exchange the Irwin Property for the City Property as long as the City pays all expenses incurred through the transaction; and

WHEREAS, the City and the Owner desire to set forth their agreements regarding the Exchange and related matters.

THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. On or before January 31, 2012, the Owner shall convey the Irwin Property to the City and the City shall convey the City Property to Irwin, and all necessary parties shall execute the Deeds substantially in the form attached hereto as Exhibit "B" and incorporated herein by this reference.
2. City shall pay for and provide Irwin with a survey of all three parcels under this Exchange Agreement along with physically staked boundaries on or before February 28, 2012. Any and all acreage contemplated in this agreement is subject to change based on the surveys conducted by the City. Owner shall receive acreage based on the total number of acres needed by the City as determined by the Illinois Department of Transportation. Owner's acreage received from the City Property through the exchange shall be determined by taking the total acres needed by the City, as described above, and multiplying that number by 1.6 acres.
3. At closing, the City, via the Illinois Department of Transportation, shall pay the remaining balance of the sum due to T.N.&W. Irrigation pursuant to the estimates made to the

Owner for the cost of relocating the Owner's irrigation systems in the amount of \$56,637.16, which includes two estimates, and are attached hereto as Exhibit "D" and incorporated herein by this reference. Upon signing of this Agreement, the City agrees to pay 50% of the estimated amounts due to T. N. & W. Irrigation. City shall also reimburse Owner up to the sum of \$5,325.00 pursuant to the estimate provided by Forrest Davis Excavating, Inc., within 30 days of Owner providing City with the invoice for the actual cost of clearing and removing the necessary trees in order to accommodate the new pivot location of Owner's irrigation system, with such estimate being attached hereto as Exhibit "E".

4. The closing shall be held at the office of the City's attorney, or such other place as the parties may agree.

5. Owner shall deliver possession at time of execution of this Agreement, subject to use by Ameren Illinois for location of their electrical equipment for the irrigation system. If Owner does not give possession on the date provided for in this Contract, the City may seek possession by any means available in law or equity. Prior to possession, Owner shall remove all debris and personal property not sold to the City. If Owner fails to provide the City with possession on the day provided for in this Contract, the City will be entitled to collect damages upon the failure to provide possession. City shall provide possession to Owner at the time of execution of this Agreement also.

6. Because of the small sizes of the parcels and the small amount of difference in real estate taxes, Owner and City agree to pay the 2011 real estate taxes payable in 2012 and all subsequent taxes according to the parcel ownership after the date of closing with no real estate tax credits given by either party.

7. City shall provide a title insurance policy for all parcels being transferred to Owner in the amount of \$200,000, and Owner will provide to City a title insurance policy in the same amount. City shall be solely responsible for obtaining and paying for these title insurance policies.

8. The City shall grant to the Owner along the newly constructed Ring Road, two access locations for Owner's property east of 5th Street (in the same manner as there is at the time of signing this Agreement) and one access location for Owner's property located west of 5th Street. Such access location shall be located at such location as mutually agreed upon by the Owner and the City. Owner shall not be precluded from seeking additional access locations pursuant to the then applicable requirements of the City and Tazewell County.

9. The appraisal prepared by the State of Illinois is shown by Exhibit "C" and incorporated herein by this reference.

10. No transfer tax shall be payable through this transaction as it is simultaneous exchange of real estate in which no cash boot will be paid, making the transaction exempt under the Illinois Transfer Tax provisions through exception (k). This transfer is also deemed by the parties to be a Like-Kind exchange of real estate according to Section 1031 of the Internal Revenue Code.

11. All Deeds from this transaction shall be recorded at the Recorder's Office in Tazewell

County, Illinois on the date of closing. All expenses of this recording shall be paid for by City.

12. Miscellaneous Provisions.

(A) All covenants, agreements, representations and warranties of the parties contained herein shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs and legal representatives.

(B) The laws of the State of Illinois shall govern the validity, interpretation and administration of this agreement.

(C) This agreement supersedes any prior agreements and undertakings among the parties and represents the complete agreement of the parties.

(D) Each party shall execute, acknowledge and deliver such additional documents, writings or assurances, including, without limitation, a memorandum of this agreement in recordable form, as any other party may periodically require so as to give full force and effect to this agreement.

(E) The waiver by any party of any breach of this agreement, whether in a single instance or repeatedly, shall not be construed as a waiver of right under this agreement. Any waiver shall not constitute a waiver by such party to strictly adhere to this agreement nor is a waiver of any claim for damages or other remedy by reason of such breach.

The parties have executed this agreement on the date first written above.

CITY OF PEKIN, a municipal corporation

By: _____
Its: Mayor

ATTEST:

By: _____
Its: Clerk

OWNER:
NORMAN IRWIN, TRUSTEE
U/W OF ALBERT F. SMITH - Owner,

By Norman Irwin, Trustee
NORMAN IRWIN, TRUSTEE

EXHIBIT "A"

Exact legal descriptions to be provided by pending surveys totaling 11.953 acres, more or less of the following described properties:

Part of the Southeast Quarter (SE 1/4) East Half (W1/2) of the Northwest Quarter (NW 1/4) of Section Fourteen (14), Township Twenty-Five (25) North, Range Five (5) West of the Third Principal Meridian, Tazewell County Illinois.

PIN: 10-10-14-100-004 (Partial)

Part of the South Half of the Northeast Quarter of Section Fifteen (15), Township Twenty-Four (24) North, Range Five (5) West of the Third Principal Meridian, Tazewell County Illinois.

PIN: 10-10-15-200-007 (Partial)

TRUSTEE'S DEED

THE GRANTOR, NORMAN IRWIN, not personally but as Trustee under the provisions of a Trust Agreement incorporated in The Last Will and Testament of Albert F. Smith dated February 6, 2003, pursuant to powers granted in said Trust Agreement and in consideration of ONE DOLLAR and other valuable consideration in hand paid, GRANTS, BARGAINS and SELLS to the CITY OF PEKIN, an Illinois municipal corporation, the following described real estate, to-wit:

TRACT I:

The North Half of the Northeast Quarter of Section 15, Township 24 North, Range 5 West of the Third Principal Meridian, Tazewell County, Illinois, EXCEPT Tract 1, containing 4.00 acres, located in the Southeast corner thereof as shown on plat recorded in Plat Book "V", Page 339, in the Recorder's Office of Tazewell County, Illinois, containing 75.53 acres, more or less.

PIN: 10-10-15-200-005

TRACT II:

The South Half of the Northeast Quarter of Section 15, Township 24 North, Range 5 West of the Third Principal Meridian, Tazewell County, Illinois, except the following:

The West 33 feet of said premises conveyed to Pekin, Lincoln and Decatur Railroad Company by warranty deed dated August 5, 1871, recorded in Vol. 62, Page 516, also except the South 20 feet of said premises conveyed to the Commissioners of Highways by warranty deed dated April 29, 1902, recorded in Vol. 148, Page 109, and also except that part conveyed to Central Illinois Light Company by warranty deed dated July 15, 1970, recorded in Book 844, Page 27.

EXCEPT, a part of the South Half of the Northeast Quarter, Section 15, Township 24 North, Range 5 West of the Third Principal Meridian in Cincinnati Township, Tazewell County, Illinois, being more particularly bounded and described as follows with bearings being for descriptive purposes only:

Commencing at the Southeast corner of the Northeast Quarter, Section 15, Township 24 North, Range 5 West of the Third Principal Meridian, thence North 00 00' 00" West, along the East line of said Northeast Quarter of Section 15, a distance of 1129.05 feet, to a point, said point being the point of beginning of the land to be described;

Thence continuing North 00 00' 00" West, along said East line of the Northeast Quarter of Section 15, a distance of 200.00 feet, to a point on the North line of the South Half of the Northeast Quarter of Section 15;

Thence South 89 48' 56" West, along said North line of the South Half of the Northeast Quarter of Section 15, a distance of 360.27 feet, to a point;

Thence South 00 00' 00" East, a distance of 200.00 feet, to a point;

Thence North 89 48' 56" East, a distance of 360.27 feet, to the point of beginning, containing 1.654 acres, more less, subject to any easements, covenants of agreements of record, situated, lying and being in the County of Tazewell, in the State of Illinois, thereof as shown on plat recorded in Plat Book "CCC", Page 150 in the Recorder's Office of Tazewell County, Illinois, containing 1.654 acres, more or less.

PIN: 10-10-15-200-007 (containing 78.35 acres, more or less)

THIS CONVEYANCE is made subject to the following:

1. General real estate taxes for 2011 payable in 2012 and subsequent taxes.
2. Easements and restrictions of record.
3. Rights of way for existing drainage ditches, feeders, laterals, and underground pipe or tile, if any.
4. Public roads and highways.

THIS CONVEYANCE not subject to transfer tax as per Paragraph (k), Section 31-45, of the Real Estate Transfer Tax Law.

DATED this _____ day of _____, 2012.

NORMAN IRWIN, Trustee under the
provisions of a Trust Agreement incorporated
in The Last Will and Testament of Albert F.
Smith dated February 6, 2003

STATE OF ILLINOIS)
) ss.
COUNTY OF TAZEWELL)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, hereby certify that NORMAN IRWIN, Trustee, personally known to me to be the same person whose name is subscribed to the foregoing Trustee's Deed, appeared before me this day in person and acknowledged that he signed, sealed and delivered the foregoing instrument as his free and voluntary act and as the free and voluntary act and deed of said Trustee, for the uses and purposes therein set forth pursuant to the provisions of a Trust Agreement incorporated in The Last Will and Testament of Albert F. Smith dated February 6, 2003.

Given under my hand and notarial seal this _____ day of _____,
2012.

NOTARY PUBLIC

Mail Tax Statement To:

City of Pekin
111 S. Capitol Street
Pekin, IL 61554

This Instrument Prepared By:

Jason W. Proehl
Kuhfuss & Proehl, P.C.
342 Elizabeth Street
Pekin, IL 61554

EXHIBIT "C"



Illinois Department of Transportation

Non-Complex Appraisal Report

☐ Take: Whole
☒ Original
☒ Partial Supplemental
☐ Other

Station: _____ to _____
 Station: _____ to _____
 Station: _____ to _____
 Station: _____ to _____

Route: V.F.W. Road, Pekin, IL
 Section: _____
 Project: V.F.W. Road, Pekin, IL
 Job No: _____
 County: Tazewell
 Parcel No: 10-10-15-200-003

- This report consists of 12 pages.
- Location and Address: Northwest corner of V.F.W. Road and South Fifth Street, Pekin, Illinois.
- Identification: Part of the South Half of the Northeast Quarter of Section 15, T24N, R5W, of the 3rd P.M., Tazewell County, Illinois (10-10-15-200-003)
- Present Owner(s) Names, Address and Telephone: Norman Irwin, 18000 Red Shale Road, Pekin, IL 61554
Phone: 309-925-5100
- Tenant's or Lessee's Names, Address and Telephone: None Known
- Person Interviewed: Letter with plat mailed to owner Interviewed by: James W. Klopfenstein
- Farmland Preservation Act: CL 7.127+- acres OC _____ HL _____ PL _____
FL _____ FS _____ RL _____ OL _____
- Present Use: Agricultural Highest and Best Use Before Taking: Agricultural
Zoning: A-1, Agricultural Highest and Best Use After Taking: Agricultural

Grantor	Grantee	Date	Doc. No.	R.S.	Rec. Price	Price	Verified By

- Purpose of Valuation: The purpose of this valuation is to arrive at an opinion of the fair market value of subject property in fee simple title as a whole; and when applicable, the fair market value of property taken as part of the whole, the fair market value of the remainder after the taking as will be affected by contemplated improvements with consideration for damages, if any, and benefits, if any, to the remainder; and the total just compensation due property owner by reason of the taking as of March 20, 2009.

Definition of Fair Market Value: "That price which a willing buyer would pay in cash and a willing seller would accept, when the buyer is not compelled to buy and the seller is not compelled to sell."

- Statement of contingent and limiting conditions is: Attached ☐ None ☒
- Date of Signature 4/27/09 James W. Klopfenstein
Signature of Appraiser

Type of License Certified General Lic. No. 553.000459 Exp. Date 09/30/2009

Summary		Acres	Sq.Ft.
13. Area of Whole Property		78.350+-	
Area to be Acquired in Fee Simple Title		8.319+-	
Area to be Acquired by New Dedication			
Area Acquired by Previous Dedication		1.192+-	
Area to be Acquired for Additional R.O.W.		7.127+-	
Area to be Acquired by Permanent Easement			
Area to be Acquired by Temporary Easement			
Area of Remainder		70.031	

Final Conclusion of Value		
14. Fair Market Value of Whole Property		\$431,000
For Partial Taking Include the Following		
Fair Market Value of Property Taken (including improvements) as Part of the Whole		\$39,200
Fair Market Value of Remainder as Part of the Whole Before Taking		\$391,800
Fair Market Value of Remainder After the Taking as will be Affected by Contemplated improvements		\$391,800
Damage to Remainder		-0-
Compensation for Permanent Easement(s)		-0-
Compensation for Temporary Easement(s)		-0-
Total Compensation		\$39,200



Illinois Department
of Transportation

Neighborhood and Subject
Property Description

Neighborhood:

Type: ☐ Commercial ☒ Residential ☐ Industrial ☒ Agricultural
% Built Up (if applicable): 20

Property Price Range: Wide variation.

Age Range: 20-80 years.

General Appearance of Neighborhood: Improvements appear to be adequately maintained and provide good appearance.

Environment: No known environmental issues present.

Other:

Subject Property:

Land: Generally rectangular-gently rolling in topography.

Improvements: None

Special Features: Tillable acreage is irrigated.

Access Before Taking: V.F.W. Road on south and South Fifth Street on east.

Access After Taking: V.F.W. Road on south and South Fifth Street on east.

Utilities Available: Public utility electricity and telephone available.

Parcel No. 10-10-15-200-003 Project V.F.W. Road-Pekin Page 2 Appraiser James W. Klopfenstein

COMPETENCY

I have appraisal experience in excess of 40 years, and have completed a number of courses offered by the Society of Real Estate Appraisers and the Appraisal Institute; and I continue to satisfy the Continuing Education Requirements of the State of Illinois since becoming a State Certified General Real Estate Appraiser in 1992.

In addition, I have completed commercial, industrial, agricultural and residential type property appraisals in a number of Illinois Counties, and regularly appraise real property at various locations within a 100-mile radius of Pekin, Illinois.

I believe that I am adequately trained in proper appraisal procedures.

Research and data collection are at the local, county, regional and national levels, and have provided the adequate knowledge necessary in the local market to competently complete an appraisal of the subject property.

DATA COLLECTION PROCESS

The data collection process consists of compiling general and specific data regarding the subject property and market area in order to have sufficient information to arrive at a supportable estimate of value. Data is collected regarding the market area, the subject property itself, and sales information for comparable properties.

The data was collected from various sources, including public records, multiple listing services, buyers and sellers.

A personal inspection of the subject property and the surrounding environs has been performed by myself. The data gathered is from sources believed to be reliable, primarily recorded information at the Tazewell County Courthouse.

ENVIRONMENTAL CONCERNS

A visual inspection of the property was made for environmental hazards. Although the appraiser is not an environmental engineer or specialist, there are no visual indications of environmental hazards. The appraiser has not conducted soil or water sample tests.

There has been no information provided by the City of Pekin that would verify either the presence or the extent of any contamination of the subject property.

In addition, no estimate was made of the cost of removal of any existing environmental hazards (if any), and the value stated herein gives no consideration to the cost of removal of any such existing hazards (if any). This appraisal assumes no environmental hazards exist or that any existing environmental hazards have been removed.

SCOPE OF WORK

This report is prepared in compliance with the current Uniform Standards of Professional Appraisal Practice.

The purpose of this appraisal to estimate the Fair Market Value of the property. The Fair Market Value is defined on Page 1 of the appraisal.

In addition, I have estimated compensation for a Partial Taking and Damages to the Remainder. The information contained within this report is specific to the needs of the client, and for the intended use stated in the Project Data Book.

I am not responsible for unauthorized use of this report by third parties.

The appraisal report is prepared for the sole and exclusive use of the City of Pekin to assist with the acquisition of necessary right-of-way for the purposes of V.F.W. Road Improvement Project. This report is not be relied upon by any third parties for any purposes.

The date of value in the report is March 20, 2009, the date of my most recent inspection of the property.

HIGHEST AND BEST USE

Highest and Best Use is defined as:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Highest and Best Use of Land or a Site as Though Vacant

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.¹

The parcel is zoned A-1, Agricultural Use which permits agricultural use.

The neighborhood surrounding the property is mixed in character, consisting of agricultural and residential uses.

Physically possible and appropriate uses of the land would be for agricultural use.

Feasible uses of the land would include agricultural use.

The agricultural use would yield the greatest return to the land.

The maximally productive use of the land would be that which maximizes the return to the property owner.

Based upon a careful review and study of the present use, other neighborhood uses and the current zoning, it is my opinion that the highest and best use of the land, as though vacant, would be for agricultural purposes.

¹The Dictionary of Real Estate Appraisal, Third Edition, Appraisal Institute, 1993, Page 171.

WHOLE PROPERTY

The Whole property is generally rectangular in shape, with frontage on V.F.W. Road on the south, and South Fifth Street on the east.

The land lies gently rolling in topography, with approximately 75.7 acres tillable, and having a rated productivity index of 80, based upon information obtained from the Tazewell County Supervisor of Assessments Office.

There are no adverse easements or encroachments noted.

The tillable acreage is irrigated with a Zimmatic Irrigation System.

The Whole property contains 78.35± acres.

TAKING

The proposed Taking is generally rectangular in shape, located adjacent to the south and portions of the west and east property lines.

The Taking measures 2,596.58 feet on the south side, 123.62 feet on the west side, 2,572.98 feet on the north side, 54.96 feet on the northwest side, and 159.22 feet on the east side.

The land within the Taking is gently rolling in topography and has previously been used for agricultural purposes.

The Taking contains 8.319± acres, of which 1.192± acres in existing right-of-way, resulting in a net proposed Taking of 7.127± acres.

REMAINDER

The Remainder will be generally rectangular in shape and gently rolling in topography.

The Remainder will contain 70.031± acres, and will presumably be used for agricultural purposes.

There are no adverse easements or encroachments known to this appraiser.

The land within the Whole, Part Taken and Remainder is vacant and unimproved.



INSTRUCTIONS

- Explain the valuation of the whole property and the acquisition if partial.
- On partial acquisitions, briefly describe the acquisition and the remainder in relation to the whole property.
- Explain the effect of the acquisition on the remainder and narratively support after values.
- Summarize your valuation and list all improvements and land being acquired.

VALUATION

There are three approaches to valuing real property, being the Cost Approach, Sales Comparison Approach and the Income Approach.

Each of these approaches has been considered; however, only the Sales Comparison Approach has been pursued in this report.

The Cost Approach has not been pursued due to the fact that the land is vacant and unimproved.

The Income Approach has not been approved due to the fact the majority of properties similar to the subject are typically owner-occupied and used, and seldom, if ever, leased in this market; consequently, there is a lack of comparable rental information.

FAIR MARKET VALUE OF WHOLE PROPERTY

The Whole property has been described as a generally rectangular shaped, 78.35± acre parcel of agricultural land.

Sales LA-3, LA-4 and LA-5 have been considered in estimating the Fair Market Value of the Whole property.

These sales indicate a range of value of \$5,123 to \$5,783 per acre.

Each of the sales varies slightly from the subject, and consideration has been given to differences where they occur, including date of sale, location, topography, soil types and productivity index.

It should be noted that each of the sales is vacant and unimproved.

Considering these comparable sales, and giving consideration to differences where they occur, there is an indicated value of the Whole property of \$431,000.

FAIR MARKET VALUE OF PROPERTY TAKEN
(INCLUDING IMPROVEMENTS) AS
PART OF THE WHOLE

The parcel being acquired consists of a net right-of-way area of 7.127± acres, located adjacent to the south and part of the east and west property lines.

The land within the proposed Taking is gently rolling in topography, and used for agricultural purposes.

The land within the proposed Taking is vacant and unimproved.

Based upon an analysis of the sales considered in estimating the Fair Market Value of the Whole Property, there is an estimated Fair Market Value of Property Taken (Including Improvements) as Part of the Whole, of \$39,200.

DAMAGE TO THE REMAINDER

The Remainder will be a generally rectangular shaped parcel being gently rolling in topography, and presumably used for agricultural purposes.

The farm will be irrigated with a Zimmatic Irrigation System. Based upon an analysis of the sales considered in estimating the Fair Market Value of the Whole Property, it is the appraiser's opinion that the Fair Market Value of the Remainder After the Taking, as Will Be Affected by Contemplated Improvements, is \$391,800.

Fair Market Value of Remainder as Part of the Whole Before Taking	\$391,800
Fair Market Value of Remainder After the Taking as Will be Affected by Contemplated Improvements	\$391,800
Damage to Remainder	\$ -0-



Certificate of Appraiser

I, James W. Klopfenstein, hereby certify to the best of my knowledge and belief:
That on March 20, 2009 (include all dates) I personally inspected the property herein
appraised and that I ☒ have ☐ have not afforded the property owner(s) or their designated representative the opportunity to
accompany me at the time of inspection. If inspection accompaniment did not occur, state the reason: Letter with plat mailed to
owner. I have also made a personal field
inspection of the comparable sales relied upon in making said appraisal. The subject and comparable sales relied upon in making said
appraisal were as represented by the photographs contained in said appraisal and sales data sheets.
That the statements of fact contained in the report are true and correct and the reported analyses, opinions, and conclusions are
limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and
conclusions.
That my analyses, opinions, and conclusions were developed, and this report ☒ has/ has not ☐ been prepared, in conformity with
the Uniform Standards of Professional Practice.
That I understand that such appraisal is to be used in connection with the acquisition of right-of-way for a highway to be constructed
by the state of Illinois with its funds and/or with the assistance of federal-aid highway funds, or other federal funds.
That to the best of my knowledge such appraisal has been made in conformity with the appropriate state laws, regulations and
policies and procedures applicable to appraisal of right-of-way for such purposes; and that to the best of my knowledge no portion of
the value assigned to such property consists of items which are noncompensable under the established law of Illinois.
That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values
reported herein.
That any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public
improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other
than that due to physical deterioration within the reasonable control of the owner, was disregarded in determining the compensation for
the property. This statement is in compliance with 49 CFR 24.103(b), LAPPM Section 2.02-14 and is also a jurisdictional exception to
USPAP.
That I have not given consideration to, or included in my appraisal, any allowance for relocation assistance benefits.
That I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party,
the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my
compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation,
or a specific valuation.
That I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on
significant professional assistance from any individual(s), I have named such individual(s) and disclosed the specific tasks performed
by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I
have not authorized anyone to make a change to any item in the report; if an unauthorized change is made to the appraisal report, I will
take no responsibility for it.
That I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
That I have no direct or indirect present or contemplated future interest in such property or in any benefit from the acquisition of such
property appraised.
That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the Illinois Division of
Highways or officials of the Federal Highway Administration, and I will not do so until so authorized by state officials or until I am
required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That my opinion of the fair market value of the part taken and net damage to the remainder, if any, as of the 20th day of
March, 2009 is \$ 39,200 based upon my independent appraisal and the exercise of my
professional judgment.

James W. Klopfenstein
Signature

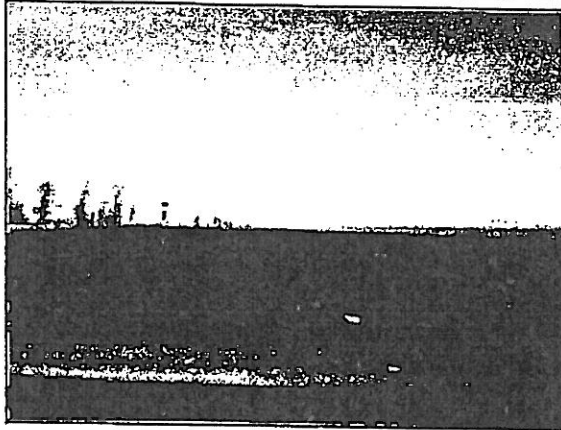
Type of License Certified General Lic. No. 553.000459 Exp. Date 9/30/2009

Parcel No. 10-10-15-200-003 Project V.F.W. Road-Pekin Page 8 Appraiser James W. Klopfenstein

Photographs

Subject Property

Photographs are required on all properties being appraised. Photographs of all principal above ground improvements or unusual features affecting the value of the property to be taken or damaged must also be included. Date the photograph was taken, which direction the camera was facing when the picture was taken, brief description of the subject of the photograph and initials of the person taking the photograph must be shown on the back of the photograph. Please use the format below for identifying the photographs.

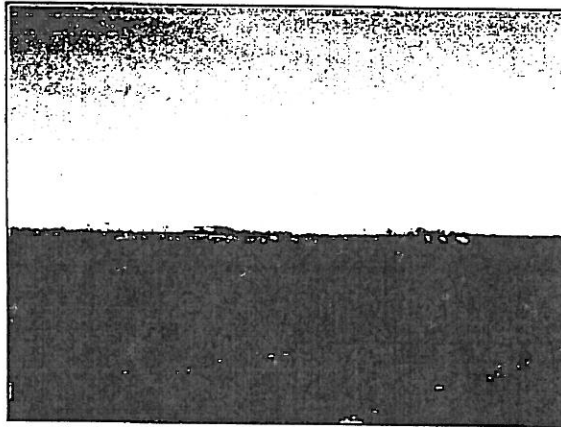


Date of Photograph: March 20, 2009

Photograph By: James W. Klopfenstein

Camera Facing: North

Description: Partial view of Whole, Taking and Remainder.

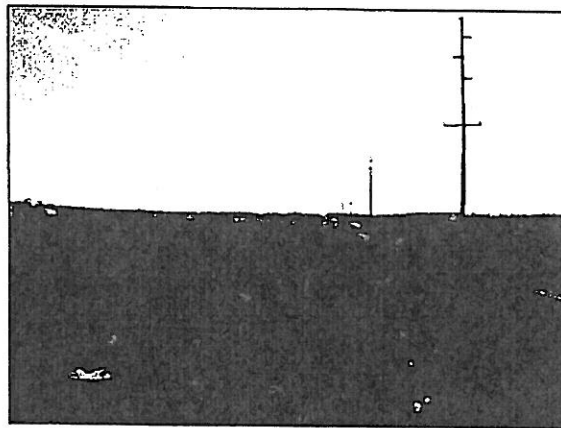


Date of Photograph: March 20, 2009

Photograph By: James W. Klopfenstein

Camera Facing: Northeast

Description: Partial view of Whole, Taking and Remainder.



Date of Photograph: March 20, 2009

Photograph By: James W. Klopfenstein

Camera Facing: East

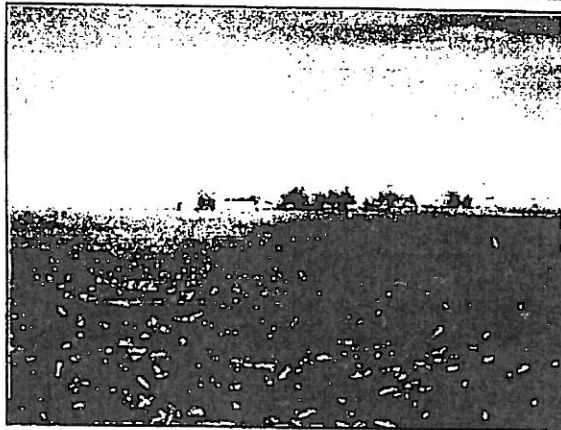
Description: Partial view of Whole, Taking and Remainder.

Parcel No.: 10-10-15-200-003 Project No. VFW, Road-Pekin Page: 9 Appraiser James W. Klopfenstein

Photographs

Subject Property

Photographs are required on all properties being appraised. Photographs of all principal above ground improvements or unusual features affecting the value of the property to be taken or damaged must also be included. Date the photograph was taken, which direction the camera was facing when the picture was taken, brief description of the subject of the photograph and initials of the person taking the photograph must be shown on the back of the photograph. Please use the format below for identifying the photographs.

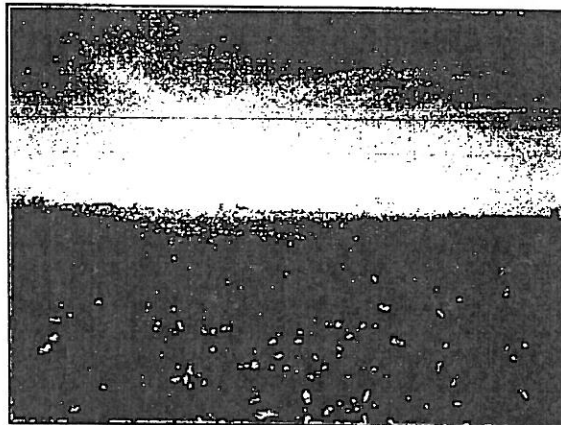


Date of Photograph: March 20, 2009

Photograph By: James W. Klopfenstein

Camera Facing: North

Description: Partial view of Whole, Taking and
Remainder.

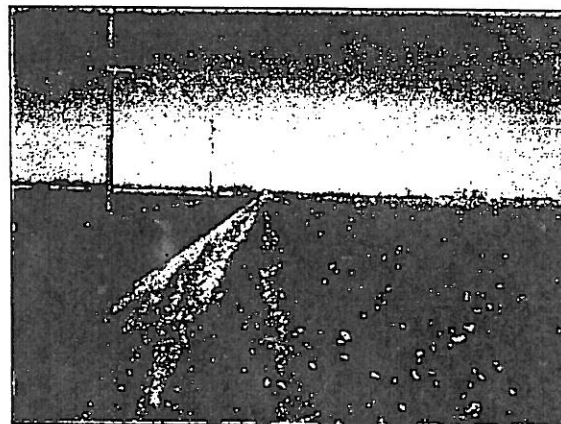


Date of Photograph: March 20, 2009

Photograph By: James W. Klopfenstein

Camera Facing: Northwest

Description: Partial view of Whole, Taking and
Remainder.



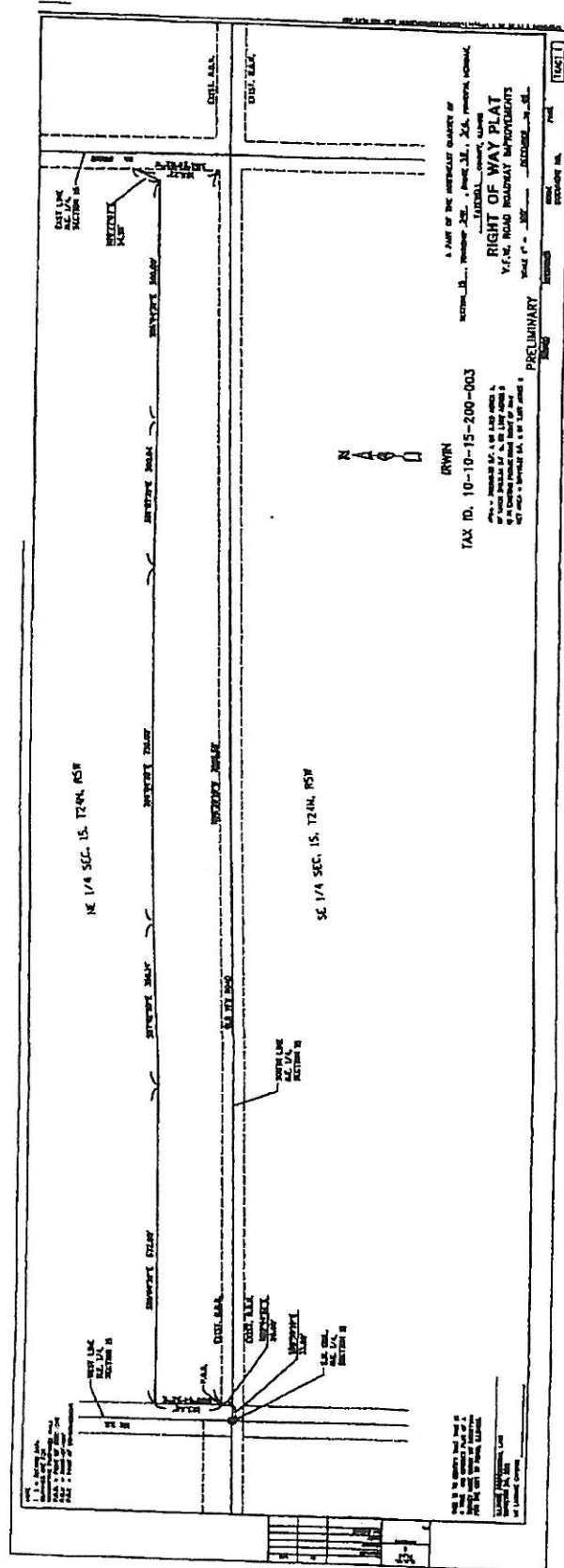
Date of Photograph: March 20, 2009

Photograph By: James W. Klopfenstein

Camera Facing: West

Description: Partial view of Whole, Taking and
Remainder.

Parcel No.: 10-10-15-200-003 Project No. VFW, Road-Pekin Page: 10 Appraiser James W. Klopfenstein



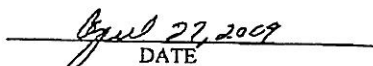
Job No. V.F.W. Road
Parcel No. 10-10-15-200-003

JURISDICTIONAL EXCEPTION CERTIFICATION

This report was developed and reported under the Jurisdictional Exception of the Uniform Standards of Professional Appraisal Practice (USPAP) and in compliance with the policies and procedures of the Illinois Department of Transportation (IDOT), the intended user, and applicable federal and state laws. The only part or parts of the USPAP that have been disregarded are those parts that are contrary to these laws, policies and procedures.

The part or parts of the USPAP, which have been disregarded, have been identified and retained in the workfile. The jurisdictional authority that justifies the Jurisdictional Exception(s) of the USPAP are the appraisal requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Chapter 2 of IDOT's Land Acquisition Policies and Procedures Manual.


SIGNATURE


DATE

State License/Certification Title	<u>State Certified General</u>
State License/Certification No.	<u>553.000459</u>
Date of Expiration	<u>09/30/2009</u>

Parcel No. 10-10-15-200-003 Page 12 Appraiser James W. Klopfenstein

(Rev. 7/01)

Exhibit 2.01-11



Illinois Department of Transportation

Non-Complex Appraisal Report

☐ Take: Whole
☒ Original
☒ Partial Supplemental
☐ Other

Station: _____ to _____
 Station: _____ to _____
 Station: _____ to _____
 Station: _____ to _____

Route: V.F.W. Road, Pekin, IL
 Section: _____
 Project: V.F.W. Road, Pekin, IL
 Job No: _____
 County: Tazewell
 Parcel No: 10-10-14-100-004

- This report consists of 12 pages.
- Location and Address: North side of V.F.W. Road, approximately 1/4 mile east of South Fifth Street, Pekin, Illinois.
- Identification: Southeast Quarter of the Northwest Quarter of Section 14, T24N, R5W, of the 3rd P.M., Tazewell County, Illinois (10-10-14-100-004)
- Present Owner(s) Names, Address and Telephone: Norman Irwin, Tr, 18000 Red Shale Hill Road, Pekin, IL 61554
Phone: 309-925-5100
- Tenant's or Lessee's Names, Address and Telephone:
None Known
- Person Interviewed: Latter with plat mailed to owner Interviewed by: James W. Klopfenstein
- Farmland Preservation Act: CL 2.854+/- acres OC _____ HL _____ PL _____
FL _____ FS _____ RL _____ OL _____
- Present Use: Agricultural Highest and Best Use Before Taking: Agricultural
Zoning: A-1, Agricultural Highest and Best Use After Taking: Agricultural

Grantor	Grantee	Date	Doc. No.	R.S.	Rec. Price	Price	Verified By
Albert F. Smith	Norman Irwin	6/23/06	06-14292	0	0	0	Public Records

- Purpose of Valuation: The purpose of this valuation is to arrive at an opinion of the fair market value of subject property in fee simple title as a whole; and when applicable, the fair market value of property taken as part of the whole, the fair market value of the remainder after the taking as will be affected by contemplated improvements with consideration for damages, if any, and benefits, if any, to the remainder; and the total just compensation due property owner by reason of the taking as of March 20, 2009.

Definition of Fair Market Value: "That price which a willing buyer would pay in cash and a willing seller would accept, when the buyer is not compelled to buy and the seller is not compelled to sell."

- Statement of contingent and limiting conditions is: Attached ☐ None ☒
- Date of Signature 4/27/09 James W. Klopfenstein
Signature of Appraiser
- Type of License Certified General Lic. No. 553.000459 Exp. Date 09/30/2009

Summary		Acres	Sq.Ft.
13. Area of Whole Property		40.000+/-	
Area to be Acquired in Fee Simple Title		3.634+/-	
Area to be Acquired by New Dedication			
Area Acquired by Previous Dedication		0.780+/-	
Area to be Acquired for Additional R.O.W.		2.854+/-	
Area to be Acquired by Permanent Easement			
Area to be Acquired by Temporary Easement			
Area of Remainder		38.366+/-	

Final Conclusion of Value		
14. Fair Market Value of Whole Property		\$220,000
For Partial Taking Include the Following		
Fair Market Value of Property Taken (including improvements) as Part of the Whole		\$15,700
Fair Market Value of Remainder as Part of the Whole Before Taking		\$204,300
Fair Market Value of Remainder After the Taking as will be Affected by Contemplated Improvements		\$204,300
Damage to Remainder		-0-
Compensation for Permanent Easement(s)		-0-
Compensation for Temporary Easement(s)		-0-
Total Compensation		\$15,700



Illinois Department
of Transportation

Neighborhood and Subject
Property Description

Neighborhood:

Type: ☐ Commercial ☒ Residential ☐ Industrial ☒ Agricultural
% Built Up (if applicable): 20

Property Price Range: Wide variation.

Age Range: 20-80 years.

General Appearance of Neighborhood: Improvements appear to be adequately maintained and provide good appearance.

Environment: No known environmental issues present.

Other:

Subject Property:

Land: Generally rectangular-gently rolling in topography.

Improvements: None

Special Features: Tillable acreage is irrigated.

Access Before Taking: V.F.W. Road on south.

Access After Taking: V.F.W. Road on south.

Utilities Available: Public utility electricity and telephone available.

Parcel No. 10-10-14-100-004 Project V.F.W. Road-Pekin Page 2 Appraiser James W. Klopfenstein

COMPETENCY

I have appraisal experience in excess of 40 years, and have completed a number of courses offered by the Society of Real Estate Appraisers and the Appraisal Institute; and I continue to satisfy the Continuing Education Requirements of the State of Illinois since becoming a State Certified General Real Estate Appraiser in 1992.

In addition, I have completed commercial, industrial, agricultural and residential type property appraisals in a number of Illinois Counties, and regularly appraise real property at various locations within a 100-mile radius of Pekin, Illinois.

I believe that I am adequately trained in proper appraisal procedures.

Research and data collection are at the local, county, regional and national levels, and have provided the adequate knowledge necessary in the local market to competently complete an appraisal of the subject property.

DATA COLLECTION PROCESS

The data collection process consists of compiling general and specific data regarding the subject property and market area in order to have sufficient information to arrive at a supportable estimate of value. Data is collected regarding the market area, the subject property itself, and sales information for comparable properties.

The data was collected from various sources, including public records, multiple listing services, buyers and sellers.

A personal inspection of the subject property and the surrounding environs has been performed by myself. The data gathered is from sources believed to be reliable, primarily recorded information at the Tazewell County Courthouse.

ENVIRONMENTAL CONCERNS

A visual inspection of the property was made for environmental hazards. Although the appraiser is not an environmental engineer or specialist, there are no visual indications of environmental hazards. The appraiser has not conducted soil or water sample tests.

There has been no information provided by the City of Pekin that would verify either the presence or the extent of any contamination of the subject property.

In addition, no estimate was made of the cost of removal of any existing environmental hazards (if any), and the value stated herein gives no consideration to the cost of removal of any such existing hazards (if any). This appraisal assumes no environmental hazards exist or that any existing environmental hazards have been removed.

SCOPE OF WORK

This report is prepared in compliance with the current Uniform Standards of Professional Appraisal Practice.

The purpose of this appraisal is to estimate the Fair Market Value of the property. The Fair Market Value is defined on Page 1 of the appraisal.

In addition, I have estimated compensation for a Partial Taking and Damages to the Remainder. The information contained within this report is specific to the needs of the client, and for the intended use stated in the Project Data Book.

I am not responsible for unauthorized use of this report by third parties.

The appraisal report is prepared for the sole and exclusive use of the City of Pekin to assist with the acquisition of necessary right-of-way for the purposes of V.F.W. Road Improvement Project. This report is not to be relied upon by any third parties for any purposes.

The date of value in the report is March 20, 2009, the date of my most recent inspection of the property.

HIGHEST AND BEST USE

Highest and Best Use is defined as:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Highest and Best Use of Land or a Site as Though Vacant

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.¹

The parcel is zoned A-1, Agricultural Use which permits agricultural use.

The neighborhood surrounding the property is mixed in character, consisting of agricultural and residential uses.

Physically possible and appropriate uses of the land would be for agricultural use.

Feasible uses of the land would include agricultural use.

The agricultural use would yield the greatest return to the land.

The maximally productive use of the land would be that which maximizes the return to the property owner.

Based upon a careful review and study of the present use, other neighborhood uses and the current zoning, it is my opinion that the highest and best use of the land, as though vacant, would be for agricultural purposes.

¹The Dictionary of Real Estate Appraisal, Third Edition, Appraisal Institute, 1993, Page 171.

WHOLE PROPERTY

The Whole property is a generally rectangular shaped parcel, located on the north side of VFW Road, approximately one-quarter mile east of South Fifth Street, Pekin, Illinois.

The land is gently rolling in topography, with approximately 39.5 acres tillable, and having a rated productivity index of 83, based upon information obtained from the Tazewell County Supervisor of Assessments Office.

There are no adverse easements or encroachments noted.

The property is irrigated with a Zimmatic Irrigation System.

The Whole property contains 40± acres.

PROPOSED TAKING

This is a slightly irregular shaped parcel, located adjacent to the south and parts of the east and west property lines.

The Taking measures 1,323.21 feet on the south side, 132.17 feet on the west side, 1,324.6 feet on the north side, 133.25 feet on the east side.

The land within the Taking is gently rolling in topography and has previously been used for agricultural purposes.

The Taking contains 3.634± acres, of which 0.780± acres in existing right-of-way, resulting in a net proposed Taking of 2.854± acres.

REMAINDER

The Remainder will be a slightly irregular shaped parcel with frontage on V.F.W. Road.

The Taking is gently rolling in topography.

The Taking will be irrigated with a Zimmatic Irrigation System.

The Remainder will contain 36.366± acres, and will presumably be used for agricultural purposes.

There are no adverse easements or encroachments known to this appraiser.



INSTRUCTIONS

- Explain the valuation of the whole property and the acquisition if partial.
- On partial acquisitions, briefly describe the acquisition and the remainder in relation to the whole property.
- Explain the effect of the acquisition on the remainder and narratively support after values.
- Summarize your valuation and list all improvements and land being acquired.

VALUATION

There are three approaches to valuing real property, being the Cost Approach, Sales Comparison Approach and the Income Approach.

Each of these approaches has been considered; however, only the Sales Comparison Approach has been pursued in this report.

The Cost Approach has not been pursued due to the fact that the land is vacant and unimproved.

The Income Approach has not been approved due to the fact the majority of properties similar to the subject are typically owner-occupied and used, and seldom, if ever, leased in this market; consequently, there is a lack of comparable rental information.

FAIR MARKET VALUE OF WHOLE PROPERTY

The Whole property has been described as a generally rectangular shaped, 40± acre parcel of agricultural land.

Sales LA-3, LA-4 and LA-5 have been considered in estimating the Fair Market Value of the Whole property.

These sales indicate a range of value of \$5,123 to \$5,783 per acre.

Each of the sales varies slightly from the subject, and consideration has been given to differences where they occur, including date of sale, location, topography, soil types and productivity index.

It should be noted that each of the sales is vacant and unimproved.

Considering these comparable sales, and giving consideration to differences where they occur, there is an indicated value of the Whole property as follows:

40± acres @ \$5,500 per acre = \$220,000

FAIR MARKET VALUE OF PROPERTY TAKEN
(INCLUDING IMPROVEMENTS) AS
PART OF THE WHOLE

The parcel being acquired consists of a net right-of-way area of 2.854± acres, located adjacent to the south and part of the east and west property lines.

The land within the proposed Taking is gently rolling in topography, and used for agricultural purposes.

The land within the proposed Taking is vacant and unimproved.

Based upon an analysis of the sales considered in estimating the Fair Market Value of the Whole Property, there is an estimated Fair Market Value of Property Taken (Including Improvements) as Part of the Whole, of \$15,700.

REMAINDER

The Remainder will be a generally rectangular shaped parcel being gently rolling in topography, and presumably used for agricultural purposes.

The farm will be irrigated with a Zimmatic Irrigation System. Based upon an analysis of the sales considered in estimating the Fair Market Value of the Whole Property, it is the appraiser's opinion that the Fair Market Value of the Remainder After the Taking, as Will Be Affected by Contemplated Improvements, is \$204,300.

Fair Market Value of Remainder as Part of the Whole Before Taking	\$204,300
Fair Market Value of Remainder After the Taking as Will be Affected by Contemplated Improvements	\$204,300
Damage to Remainder	\$ -0-



Certificate of Appraiser

I, James W. Klopfenstein, hereby certify to the best of my knowledge and belief:
That on March 20, 2009 (include all dates) I personally inspected the property herein
appraised and that I ☒ have/ ☐ have not afforded the property owner(s) or their designated representative the opportunity to
accompany me at the time of inspection. If inspection accompaniment did not occur, state the reason: Letter with plat mailed to
owner. I have also made a personal field
inspection of the comparable sales relied upon in making said appraisal. The subject and comparable sales relied upon in making said
appraisal were as represented by the photographs contained in said appraisal and sales data sheets.
That the statements of fact contained in the report are true and correct and the reported analyses, opinions, and conclusions are
limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and
conclusions.
That my analyses, opinions, and conclusions were developed, and this report ☒ has/ has not ☐ been prepared, in conformity with
the Uniform Standards of Professional Practice.
That I understand that such appraisal is to be used in connection with the acquisition of right-of-way for a highway to be constructed
by the state of Illinois with its funds and/or with the assistance of federal-aid highway funds, or other federal funds.
That to the best of my knowledge such appraisal has been made in conformity with the appropriate state laws, regulations and
policies and procedures applicable to appraisal of right-of-way for such purposes; and that to the best of my knowledge no portion of
the value assigned to such property consists of items which are noncompensable under the established law of Illinois.
That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values
reported herein.
That any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public
improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other
than that due to physical deterioration within the reasonable control of the owner, was disregarded in determining the compensation for
the property. This statement is in compliance with 49 CFR 24.103(b), LAPPM Section 2.02-14 and is also a jurisdictional exception to
USPAP.
That I have not given consideration to, or included in my appraisal, any allowance for relocation assistance benefits.
That I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party,
the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my
compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation,
or a specific valuation.
That I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on
significant professional assistance from any individual(s), I have named such individual(s) and disclosed the specific tasks performed
by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I
have not authorized anyone to make a change to any item in the report; if an unauthorized change is made to the appraisal report, I will
take no responsibility for it.
That I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
That I have no direct or indirect present or contemplated future interest in such property or in any benefit from the acquisition of such
property appraised.
That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the Illinois Division of
Highways or officials of the Federal Highway Administration, and I will not do so until so authorized by state officials or until I am
required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That my opinion of the fair market value of the part taken and net damage to the remainder, if any, as of the 20th day of
March, 2009 is \$ 15,700 based upon my independent appraisal and the exercise of my
professional judgment.

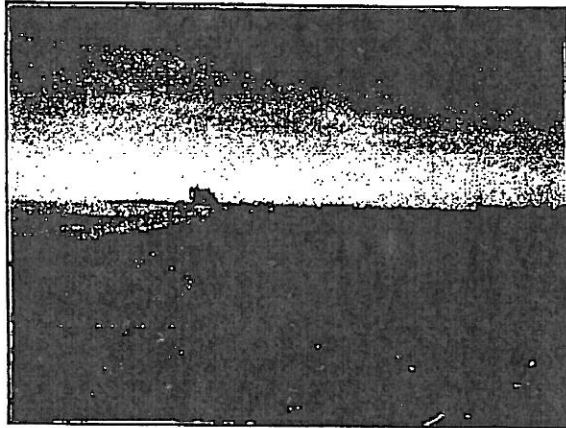
James W. Klopfenstein
Signature

Type of License Certified General Lic. No. 553.000459 Exp. Date 9/30/2009

Parcel No. 10-10-14-100-004 Project V.F.W. Road-Pekin Page 8 Appraiser James W. Klopfenstein

Subject Property

Photographs are required on all properties being appraised. Photographs of all principal above ground improvements or unusual features affecting the value of the property to be taken or damaged must also be included. Date the photograph was taken, which direction the camera was facing when the picture was taken, brief description of the subject of the photograph and initials of the person taking the photograph must be shown on the back of the photograph. Please use the format below for identifying the photographs.

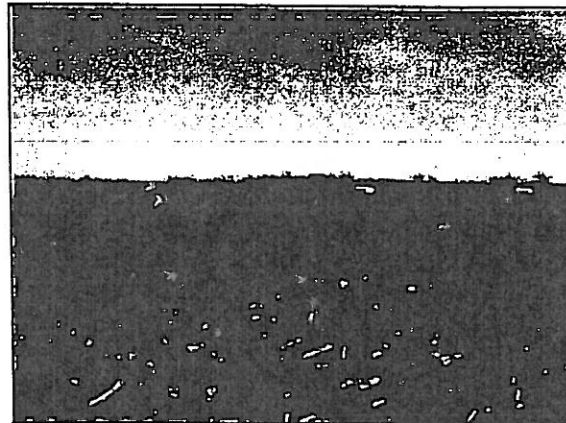


Date of Photograph: March 20, 2009

Photograph By: James W. Klopfenstein

Camera Facing: North

Description: Partial view of Whole, Taking and
Remainder.

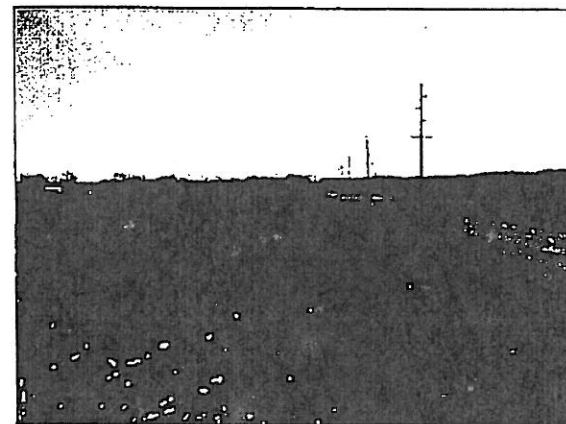


Date of Photograph: March 20, 2009

Photograph By: James W. Klopfenstein

Camera Facing: Northeast

Description: Partial view of Whole, Taking and
Remainder.



Date of Photograph: March 20, 2009

Photograph By: James W. Klopfenstein

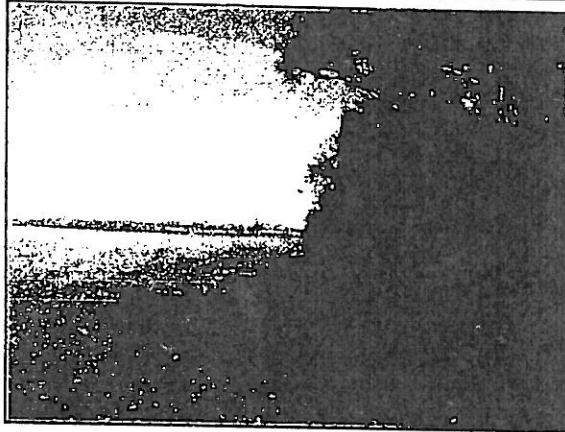
Camera Facing: East

Description: Partial view of Whole, Taking and
Remainder.

Photographs

Subject Property

Photographs are required on all properties being appraised. Photographs of all principal above ground improvements or unusual features affecting the value of the property to be taken or damaged must also be included. Date the photograph was taken, which direction the camera was facing when the picture was taken, brief description of the subject of the photograph and initials of the person taking the photograph must be shown on the back of the photograph. Please use the format below for identifying the photographs.

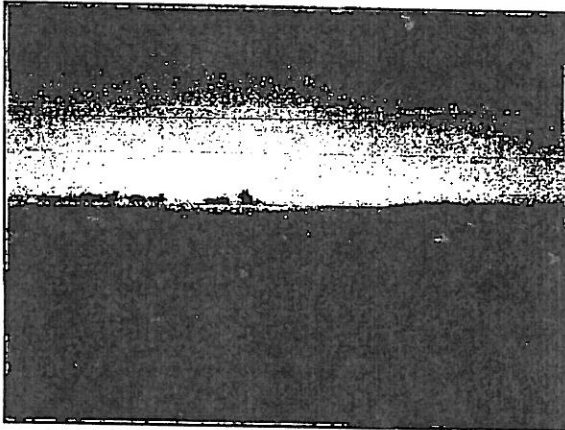


Date of Photograph: March 20, 2009

Photograph By: James W. Klopfenstein

Camera Facing: North

Description: Partial view of Whole, Taking and Remainder.

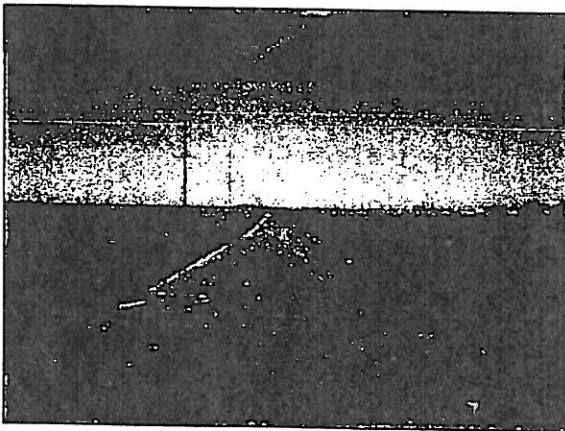


Date of Photograph: March 20, 2009

Photograph By: James W. Klopfenstein

Camera Facing: Northwest

Description: Partial view of Whole, Taking and Remainder.



Date of Photograph: March 20, 2009

Photograph By: James W. Klopfenstein

Camera Facing: West

Description: Partial view of Whole, Taking and Remainder.

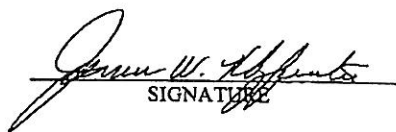
Parcel No.: 10-10-14-100-004 Project No. VFW. Road-Pekin Page: 10 Appraiser James W. Klopfenstein

Job No. V.F.W. Road
Parcel No. 10-10-14-100-004

JURISDICTIONAL EXCEPTION CERTIFICATION

This report was developed and reported under the Jurisdictional Exception of the Uniform Standards of Professional Appraisal Practice (USPAP) and in compliance with the policies and procedures of the Illinois Department of Transportation (IDOT), the intended user, and applicable federal and state laws. The only part or parts of the USPAP that have been disregarded are those parts that are contrary to these laws, policies and procedures.

The part or parts of the USPAP, which have been disregarded, have been identified and retained in the workfile. The jurisdictional authority that justifies the Jurisdictional Exception(s) of the USPAP are the appraisal requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Chapter 2 of IDOT's Land Acquisition Policies and Procedures Manual.


SIGNATURE


DATE

State License/Certification Title	<u>State Certified General</u>
State License/Certification No.	<u>553.000459</u>
Date of Expiration	<u>09/30/2009</u>

QUOTE



TONY BURKS
tony.burks@centurytel.net
 603 North Highway Blvd.
 Manito, IL 61546
 309-968-7778 Phone
 309-968-7739 Fax
 309-267-3226 Cell.

To: NORM IRWIN/MARK BERG
 Attn:
 Fax:

Date: 8/23/2011
 Quote #:
 Project: MOVE & SHORTEN SYSTEM
 Job Name: AL SMITHS 40

Description of Job: MOVE & SHORTEN SYSTEM APPX 150' TO MAKE WAY FOR NEW ROADWAY

QTY.	DESCRIPTION	PRICE
1	SURVEY AND MARK NEW FIELD BOUNDARIES	
1	ZIMMATIC CONCRETE PIVOT PAD	
1	REMOVE OLD PAD AND BACKFILL	
2	CONCRETE THRUST BLOCK FOR PIPE	
150	6" PIP UNDERGROUND PIPE W/INSTALL. FT.	
1	6"PIPE-UP W/8" PUMP STARTER & FLANGE	
1	6"PIP GALVINIZED Z-PIPE W/BUTT. VALVE	
1	6" PIP L-RISER W/MECH 90 & PUMP STARTER	
1	WIRE BASIC PANEL	
180	#2 SURE SEAL ALUNINUM QUADPLEX	
540	12-2 WG UF ROMEX WIRE	
1	CILCO 100AMP DIS. & CT ON POLE W/BOARD	
1	EXCAVATE & MOVE WIRE TO NEW SERVICE	
1	MOVE SYSTEM TO NEW PAD	
150	20TT SURE SEAL ALUMINUM QUADPLEX	
1	WIRE SPLICING MATERIALS	
1	ANCHOR BOLT PACKAGE	
1	SHORTEN SYSTEM TO NEW FIELD LIMITS	
1	FIELD VISION W/GPS & HARDWARE	
1	INSTALL FIELD VISION W/GPS	
1	DISC.PANEL FOR REMOTE CONTROL PANEL	
1	UPDATED SPRINKLER PACKAGE	
1	INSTALLATION OF SPRINKLER PACKAGE	
	**THIS IS AN ESTIMATED COST FOR THIS PROJECT. REPLACEMENT OF DAMAGED PARTS OR ADDITIONAL PARTS AND LABOR REQUIRED ARE NOT INCLUDED.	

PROJECT SUBTOTAL \$ 29,110.93

FREIGHT \$ 800.00

PROJECT TOTAL PRICE \$ 29,910.93

TERMS AND CONDITIONS OF THIS QUOTATION

Prices are subject to change without notice. This quote is good for (30)days.

Terms: 50% Down/ 25% on delivery of Parts/ 25% on completion of job

QUOTE



TONY BURKS
tony.burks@centurytel.net
 603 North Highway Blvd.
 Manito, IL 61546
 309-968-7778 Phone
 309-968-7739 Fax
 309-267-3226 Cell.

To: NORM IRWIN/MARK BERG
 Attn:
 Fax:

Date: 8/23/2011
 Quote #:
 Project: MOVE SYSTEM 250FT NORTH
 Job Name: AL SMITH 160

Description of Job: MOVE SYSTEM 250FT TO MAKE WAY FOR NEW ROADWAY

QTY.	DESCRIPTION	PRICE
1	SURVEY AND MARK NEW FIELD BOUNDARIES	
1	ZIMMATIC CONCRETE PIVOT PAD	
1	REMOVE OLD PAD AND BACKFILL	
2	CONCRETE THRUST BLOCK FOR PIPE	
250	8" PIP UNDERGROUND PIPE W/INSTALL, FT	
1	8" PIPE-UP W/PUMP STARTER & FLANGE	
1	8" PIP GALVINIZED Z-PIPE W/BUTT. VALVE	
1	8" PIP L-RISER W/MECH.90 & PUMP STARTER	
1	WIRE BASIC PANEL	
275	#2 SURE SEAL ALUMINUM QUADPLEX	
825	12-2 WG UF ROMEX WIRE	
1	CILCO 200AMP DIS. & CT ON POLE W/BOARD	
1	EXCAVATE & MOVE WIRE TO NEW SERVICE	
1	MOVE SYSTEM TO NEW PAD (250')	
150	40TT SURE SEAL ALUMINUM QUADPLEX	
1	WIRE SPLICING MATERIALS	
1	ANCHOR BOLT PACKAGE	
1	FIELD VISION W/GPS & HARDWARE	
1	INSTALL FIELD VISION W/GPS	
1	DISC. PANEL FOR REMOTE CONTROL PANEL	

****THIS IS AN ESTIMATED COST FOR THIS PROJECT. REPLACEMENT OF DAMAGED PARTS OR ADDITIONAL PARTS AND LABOR REQUIRED ARE NOT INCLUDED.**

PROJECT SUBTOTAL \$	25,926.23
FREIGHT \$	800.00
PROJECT TOTAL PRICE \$	26,726.23

TERMS AND CONDITIONS OF THIS QUOTATION

Prices are subject to change without notice. This quote is good for (30)days .
 Terms: 50% Down/ 25% on delivery of Parts/ 25% on completion of job

Forrest Davis Excavating, Inc.

104 S. BROADWAY PO Box 22
MANITO, IL 61546
PH. (309) 968-9992 FAX (309) 968-9993
EMAIL: BB.FDE2010@GMAIL.COM

Estimate

DATE	ESTIMATE #
8/15/2011	138



NAME / ADDRESS
NORMAN IRWIN 18000 RED SHALE HILL ROAD PEKIN, IL 61554-8619

PROJECT			
5TH STREET			
DESCRIPTION	QTY	RATE	TOTAL
ACRES - TREE CLEARING	1	2,500.00	2,500.00
IF FOUNDATION EXISTS - ON-SITE		825.00	825.00
ROTOVEYER	6	75.00	450.00
ALTERNATE			
IF FOUNDATION EXISTS - HAUL AWAY		1,550.00	1,550.00
*ROTOVEYER TO BE PULLED BY CUSTOMER	MOST LIKELY COST would be \$2950 ADDITIONAL COST would be if Foundation was STILL THERE FROM old LARGE 2 STORY BRICK HOUSE.		
Thank you for the opportunity to bid. We appreciate your business!		Subtotal	\$5,325.00
<u>Brent Breedlove, President</u>		Sales Tax (0.0%)	\$0.00
Brent Breedlove, President Forrest Davis Excavating, Inc.		Total	\$5,325.00

8/15/11
Date



REQUEST FOR COUNCIL ACTION

To: Mayor and Council

CC: City Clerk & City Manager

From: Michael Guerra, City Engineer

**AGENDA ITEM: Resolution for Project Support Joint Agreement – Rte 9 Improvements
Resolution for Maintenance of Streets & Highways**

AGENDA DATE REQUESTED: January 23, 2012

ACTION REQUESTED: Approve a Resolution to Supplement the Resolution passed on April 12, 2010 to account for the final cost to the City per the Project Support Joint Agreement dated April 19, 2010

DESCRIPTION: This motion is to pass a resolution to supplement the resolution that was passed on April 12, 2010 which appropriated \$4,000.00 of MFT funds for the City of Pekin's share for the Project Support Joint Agreement for Route 9 Improvements. This was the state project which resurfaced route 9 from Olt to Tremont and upgraded the signals at Barney and Veterans. According to the agreement the City of Pekin would pay 50 percent of the cost for the traffic signals upgrades plus 10 percent of the engineering but shall not exceed 125 percent of the estimated cost of \$3,726.00. This project has recently been finalized and the total cost exceeded the appropriated amount in the resolution. Therefore a supplement resolution is needed to appropriate an additional \$657.50 to bring the total MFT appropriation for the City of Pekin's share to \$4,657.50 per this agreement.

I recommend that this amended resolution be approved.

FINANCIAL IMPACT: \$657.50 of MFT Funds

NEIGHBORHOOD CONCERNS: None

IMPACT IF APPROVED: The remainder of the City share will be covered by MFT Funds

IMPACT IF DENIED: The remainder of the City share will not be covered by MFT Funds

ALTERNATIVES: Use General Funds to cover the remainder of the City share

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark ✓ and paste it to the left of the relevant theme.]

	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
✓	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improves the quality of life for Pekin's residents.
	An Effective Government. To deliver effectively the services that Pekin's residents want,

need, and are willing to support.

REQUIRED SIGNATURES

Department Director:

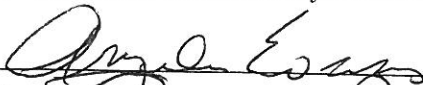


Date:

1/13/12

Finance Department (Certification of Availability of Funds):

Date:

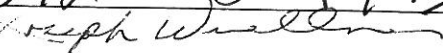
1-13-12 

Corporation Counsel:

Date:

1-13-12 

City Manager:



Date:

1/13/12



REQUEST FOR COUNCIL ACTION

To: Council Members

CC: Dennis Kief, Sue McMillan, Angie Evans, & City Attorney

From: Joe Wuellner

AGENDA ITEM: Project Support Joint Agreement – Rte 9 Improvements
Resolution for Maintenance of Streets & Highways

AGENDA DATE REQUESTED: April 12, 2010 *

ACTION REQUESTED: Approve the Project Support Joint Agreement with IDOT to resurface Rte 9 and upgrade traffic signals at Court & Veterans and Court & Barney and the Resolution for Maintenance.

BACKGROUND: As a part of this year's highway upgrades, the section of Route 9 from Olt Avenue to Tremont will be resurfaced and two traffic signals will be modernized to the new left turning standards. Since the City of Pekin shares 50 percent of the cost for the traffic signals plus 10 percent of the engineering, we will be paying an estimated \$3,726 for the signal work at Court & Barney and Court & Veterans Drive. There is no cost for the resurfacing of the pavement. This project is set to be bid April 23, 2010 which means that the work will be done this summer. The following resolution will appropriate \$4,000 to be used for this project.

I recommend that the agreement be approved and the associated resolution.

FINANCIAL IMPACT: \$4,000 of Motor Fuel Tax Funds *

NEIGHBORHOOD CONCERNS: None

IMPACT IF APPROVED: Project to resurface Route 9 and related traffic signal modernization work will be completed.

IMPACT IF DENIED: Project may be cancelled

ALTERNATIVES: N/A

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: Strong Foundation & Quality of Life



**Illinois Department
of Transportation**

**Resolution for Maintenance of
Streets and Highways by Municipality
Under the Illinois Highway Code**

BE IT RESOLVED, by the City Council _____ of the
 _____ (Council or President and Board of Trustees)
 City _____ of Pekin _____, Illinois, that there is hereby
 _____ (City, Town or Village) _____ (Name)
 appropriated the sum of \$650.57 _____ of Motor Fuel Tax funds for the purpose of maintaining
 streets and highways under the applicable provisions of the Illinois Highway Code from May 1, 2010
 to April 30, 2010 _____ (Date)

BE IT FURTHER RESOLVED, that only those streets, highways, and operations as listed and described on the approved Municipal Estimate of Maintenance Costs, including supplemental or revised estimates approved in connection with this resolution, are eligible for maintenance with Motor Fuel Tax funds during the period as specified above.

BE IT FURTHER RESOLVED, that the Clerk shall, as soon a practicable after the close of the period as given above, submit to the Department of Transportation, on forms furnished by said Department, a certified statement showing expenditures from and balances remaining in the account(s) for this period; and

BE IT FURTHER RESOLVED, that the Clerk shall immediately transmit two certified copies of this resolution to the district office of the Department of Transportation, at Peoria _____, Illinois.

I, Sue E. McMillan _____ Clerk in and for the City _____
 of Pekin _____, County of Tazewell _____
 _____ (City, Town or Village)

hereby certify the foregoing to be a true, perfect and complete copy of a resolution adopted by

the City Council _____ at a meeting on January 23, 2012
 _____ (Council or President and Board of Trustees) _____ Date

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this _____ day of _____.

(SEAL)

 _____ Clerk
 _____ (City, Town or Village)

Approved
_____ Date
Department of Transportation
_____ Regional Engineer



REQUEST FOR COUNCIL ACTION

To: Mayor and Council

CC: City Clerk

From: Greg Nelson, Police Chief

AGENDA ITEM:	Prohibit Delivery, Possession and Use of Synthetic Alternative Drugs
AGENDA DATE REQUESTED:	January 12, 2012
ACTION REQUESTED:	Prohibit the delivery, possession and use of synthetic alternative drugs.
BACKGROUND:	Synthetic alternative drugs are imported into this country from overseas, most always from China. They are manufactured with unknown methods under unknown conditions and contain unknown substances. They have not been screened for health effects, as is customary in our country. There have been over 2,900 reports to Poison Control Centers nationally in 2010 and by the end of November, 2011 there were over 6,300 reports. Exposures have increased in Illinois and have been seen in Pekin. These drugs are marketed to our youth and, by allowing their continued sale in our community, there is a presumption that they are safe. The State of Illinois has legislation that prohibits many of the synthetic alternative drugs, but it has struggled to keep up with new variations being introduced.
FINANCIAL IMPACT:	There would be an unknown, but minimal, loss in sales tax revenues.
NEIGHBORHOOD CONCERNS:	None
IMPACT IF APPROVED:	The proposed ordinance would prohibit the sale, gift, delivery, possession and use of synthetic alternative drugs. The ordinance is written broadly so that it would not need revisited when new variations of these drugs are introduced.
IMPACT IF DENIED:	Some of these substances would remain legal under the State of Illinois' legislation.

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes]

- ☐ **A Prosperous Community.** To promote and sustain a balanced economy that supports expansion and retention of Family-way jobs.
- ☒ **A Safe Community.** To protect community life and property by providing effective, principled Police and Fire services.
- ☐ **A Strong Foundation.** To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
- ☐ **A High Quality of Life.** To support or provide services that improves the quality of life for Pekin's residents.
- ☐ **An Effective Government.** To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES

Department Director

_____ Date

Finance Department

_____ Date
(Certification of Availability of Funds)

Corporation Counsel

_____ Date

City Manager

_____ Date

ORDINANCE NO. _____

**AN ORDINANCE AMENDING TITLE 6, CHAPTER 2
OF THE CODE OF THE CITY OF
PEKIN 1995 BANNING SYNTHETIC ALTERNATIVE DRUGS**

WHEREAS, the City of Pekin is a home rule government pursuant to the 1970 Illinois Constitution , Article VII, Section 6(a); and

WHEREAS, pursuant to its home rule power, the City of Pekin may exercise any power and perform any function relating to its government and affairs including the power to regulate for the protection of the public health, safety, morals, and welfare; and

WHEREAS, the Corporate Authorities of the City of Pekin have encountered products being sold at commercial businesses within its corporate boundaries containing compounds originally designed as synthetic alternatives (i.e., synthetic cannabinoids, synthetic stimulants and/or synthetic psychedelic/hallucinogens) to prohibited controlled substances such as tetrahydrocannabinol (THC), cathinone, methcathinone, MDMA and MDEA; and

WHEREAS, the City of Pekin finds that products containing such synthetic alternatives may be purchased for recreational use currently as an alternative to otherwise regulated controlled substances banned at the Local, State and Federal levels; and

WHEREAS, the City of Pekin finds that products containing these synthetic alternatives are particularly enticing to children and young adults due to their availability in small packages at neighborhood stores at minimal costs, as well as due to the names being given to these substances which are intended to appeal to children and young adults, as set forth in Exhibit “A” attached hereto, and their marketing as being legal; and

WHEREAS, the Drug Enforcement Administration (DEA) has determined that the

consumption of synthetic alternatives can cause adverse health effects as agitation, anxiety, nausea, vomiting, tachycardia, elevated blood pressure, tremors, seizures, hallucinations, paranoid behavior and non-responsiveness; and

WHEREAS, the American Association of Poison Control Centers has reported 2,700 synthetic cannabinoid related calls to poison control centers in 49 different states; and

WHEREAS, in 2010, the Illinois Poison Control Center received 70 synthetic cannabinoid related calls and has fielded 53 similar calls during the first quarter of 2011; and

WHEREAS, the City Council of the City of Pekin hereby finds that it is in the best interest of the public health, safety and welfare to prohibit the sale, delivery, possession and use of synthetic alternatives in the City; NOW THEREFORE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEKIN:

SECTION 1. The above recitals are expressly incorporated herein and made part hereof as though fully set forth herein.

SECTION 2. Chapter 6-2-5-3 of the Municipal Code of Pekin is hereby amended by inserting a new Section 6-2-5-3b entitled “Synthetic Alternative Drugs to read as follows:

6-2-5-3b: POSSESSION/USE OF SYNTHETIC ALTERNATIVE DRUGS PROHIBITED:

A. Definitions:

For purposes of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

1. A *product containing a synthetic alternative drug* means any product containing a synthetic cannabinoid, stimulant or psychedelic/hallucinogen, as those terms are defined herein such as, but not limited to, the examples of brand names or identifiers listed on Exhibit “A” attached hereto and incorporated herein.

2. *Synthetic cannabinoid* means any laboratory-created compound that functions similar to the active ingredient in marijuana, tetrahydrocannabinol (THC), including, but not limited to, any quantity of a natural or synthetic material, compound, mixture, preparation, substance and their analog (including isomers, esters, ethers, salts, and salts of isomers) containing a cannabinoid receptor agonist, such as, but not limited to, the examples of brand names or identifiers listed on Exhibit “A” attached hereto and incorporated herein.

3. *Synthetic stimulant* means any compound that mimics the effects of any federally controlled Schedule I substance such as cathinone, methcathinone, MDMA and MDEA, including, but not limited to, any quantity of a natural or synthetic material, compound, mixture, preparation, substance and their analog (including salts, isomers, and salts of isomers) containing substances which have a stimulant effect on the central nervous system, such as, but not limited to, the examples of brand names or identifiers listed on Exhibit “A” attached hereto and incorporated herein.

4. *Synthetic psychedelic/hallucinogen* means any compound that mimics the effects of any federally controlled Schedule I substance, including but not limited to, any quantity of a natural or synthetic material, compound, mixture, preparation, substance and their analog, (including salts, isomers, esters, ethers and salts of isomers) containing substances which have a psychedelic/hallucinogenic effect on the central nervous system and/or brain, such as, but not limited to, the examples of brand names or identifiers listed on Exhibit “A” attached hereto and incorporated herein.

B. Sale or Delivery.

It shall be unlawful for any person to sell, offer for sale or deliver any product containing a synthetic cannabinoid, a synthetic stimulant or a synthetic psychedelic/hallucinogen.

C. Possession.

It shall be unlawful for any person to knowingly possess a product containing a synthetic cannabinoid, a synthetic stimulant or a synthetic psychedelic/hallucinogen.

D. Use.

It shall be unlawful for any person to be under the influence of a synthetic cannabinoid, a synthetic stimulant or a synthetic psychedelic/hallucinogen.

E. Penalties.

A. Any person found to be in violation of Section 6-2-5-3b shall be subject to a fine of not less than \$250 and not more than \$750 for each violation thereof.

B. Each violation of this ordinance, or everyday a violation continues to exist, shall constitute a new and separate violation.

SECTION 3. This ordinance shall be in full force and effect from and after its passage and approval and publication as required by law.

SECTION 4. Any Section or provision of this ordinance that is construed to be invalid or void shall not affect the remaining sections or provisions which shall remain in full force and effect thereafter.

PASSED AND APPROVED at the regular meeting of the City Council of the City of Pekin, this _____ day of _____, 2012; and upon roll call the vote was as follows:

AYES:

NAYS:

ABSENT:

ABSTAINING:

APPROVED this _____ day of _____, 2012

Mayor

ATTEST:

City Clerk

Exhibit A - page 1

2010	Freedom	K2 Silver
8-Bali	Fully Loaded	K2 Solid Sex on the Mountain
Aztec Gold	Funky Monkey	K2 Solid Sex on the Mountain
Aztec Midnight Wind Tezcatlipoca	Funky Monkey XXXX	K2 Standard
Back Draft	G Four	K2 Strawberry
Bad 2 the Bone	G Greenies Caramel Crunch	K2 Summit
Banana Cream Nuke	Genie	K2 Summit Coffee Wonk
Bayou Blaster Black	Gold Spirit Spice	K2 Thai Dream
Diamond Black	Green Monkey Chronic Salvia	K2 Ultra
Magic Salvia	Greenies Strawberry	K2 Watermelon
Black Mamba	Heaven Improved	K3
Blueberry Hayze	Heavenscent Suave	K3 Blueberry
Bombay Blue	Humboldt Gold	K3 Cosmic Blend
Buzz	Jamaican Gold	K3 Dusk
	Jamaican Gold K	K3 Grape
	Royal	K3 Heaven Improved
C3		K3 Heaven Legal
C4 Herbal Incense	K1 Orbit	K3 Kryptonite
Caneff	K2	K3 Legal
Cherry Bomb	K2 (unknown variety)	K3 Legal - Original (Black)
Chill X	K2 Amazonian Shelter	K3 Legal- Earth (silver)
Chronic Spice	K2 Amazonian Shelter	K3 Legal- Sea (silver)
Cill Out	K2 Blonde	K3 Legal- Sun (Black)
Citrus	K2 Blue	K3 Mango
Colorado Chronic	I{2 Blueberry	K3 Original
DaBlock	K2 Citron	K3 Original Improved
Dark Night II	K2 Cloud 9	K3 Strawberry
Demon	K2 Kryptonite	K3 Sun
Diamond Spirit	K2 Latte	K3 Sun Improved
Dragon Spice	IC2 Mellon	K3 Sun Legal
D-Rail	K2 Mint	K3 XXX
Dream	K2 Orisha Black Magic Max	K4 Bubble Bubble
Earthquake	K2 Orisha Max K2 Orisha	K4 Gold
Eruption Spice	Regular K2 Orisha Super	K4Purple Haze
Euphoria		K4 Silver
EX_SES Platinum Strawberry	K2 Orisha White Magic Super	K4 Summit
exSES	K2 Peach	K4 Summit Remix
EX-SES Platinum	K2 Pina Colada	Kind Spice
EX-SES Platinum Blueberry	IS2 Pineapple	K1 Gravity
EX-SES Platinum Cherry	K2 Pineapple Express	K1 Orbit
EX-SES Platinum Strawberry	K2 Pink	
EX-SES Platinum Vanilla	K2 Pink Panties	
Fire Bird Ultimate Strength		
Cinnamon	K2 Sex	
Forest Humus		

Exhibit A - page 2

Legal Eagle	Potpourri Gold	Stinger
Legal Eagle Apple Pie	Pulse	Summer Skyy
Love Potion 69	Rasta Citrus Spice	Super Kush
Love Strawberry	Rebel Spice	Super Summit
Magic Dragon Platinum	Red Bird	Swagger Grape
Magic Gold	S1. S Werve	SYN Chill
Magic Silver	Samurai Spirit	SYN Incense LemonLime
Magic Spice	Sativah	SYN Incense Smooth
Mega Bomb	Scope Vanilla	SYN Incense Speannint
Mid-Atlantic Exemplar	Scope Wildbeny	SYN Lemon Lime SYN
Mid-Atlantic Exemplar (K2 Summit)	Sence	Lemon Lime #2
Midnight Chill	Shanti Spice	SYN Smooth SYN
MNGB Almond/Vanilla	Shanti Spice Blueberry	Speannint SYN
MNGB Peppennint MNGB	Silent Black	Speannint #2 SYN
Pinata Colada MNGB	Skunk	Suave
Spear Mint MNGB	Smoke	SYN Swagg
Tropical Thunder	Smoke Plus	SYN Vanilla
Moe Joe Fire	Space	SYN Vanilla #2
Mojo	Spice Artic Synergy	Texas Gold
Mr. Smiley's	Spice Diamond	Time Warp
MTh-787	Spice Gold	Tribal Warrior
Mystery	Spice Gold	Ultra Cloud 10
Naughty Nights	Spice Silver	Unknown cigarette
New Improved K3	Spice Tropical Synergy	Utopia
New Improved K3 Cosmic Blend	Spicey Regular XXX Blueberry Spicey	Utopia-Blue Berry
New Improved K3 Dynamite New	Regular XXX Strawberry Spicey Ultra	Voo Doo Remix (black package)
Improved K3 Kryptonite New K3 Earth	Strong XXX Strawberry Spicey Ultra	Voo Doo Remix (orange package)
New K3 Heaven New	Strong XXX Vanilla Spicey XXX	Voodoo Child
K3 Improved New K3	'Spicy Ultra Strong XXX Vanilla	Voodoo Magic
Sea Improved New -	Spicylicious	Voodoo Remix
on Bomb Nitro	Spike 99	Who Dat
Ocean Blue	Spike 99 Ultra	Who Dat Herbal Incense
POW	Spike 99 Ultra Blueberry	Wicked X
p.e.p. pourri Love Strawberry	Spike 99 Ultra Cherry	Winter Boost Wood Stock
p.e.p. pourri Original Speannint	Spike 99 Ultra Strawberry	XTREME Spice
p.e.p. pourri Twisted Vanilla	Spike Diamond	Yucatan Fire
p.e.p. pourri X Blueberry	Spice Gold	Yucatan Fire
Paradise	Spike M x	Zombie World
Pink Tiger	Spike Silver	
Potpourri	Spike99	



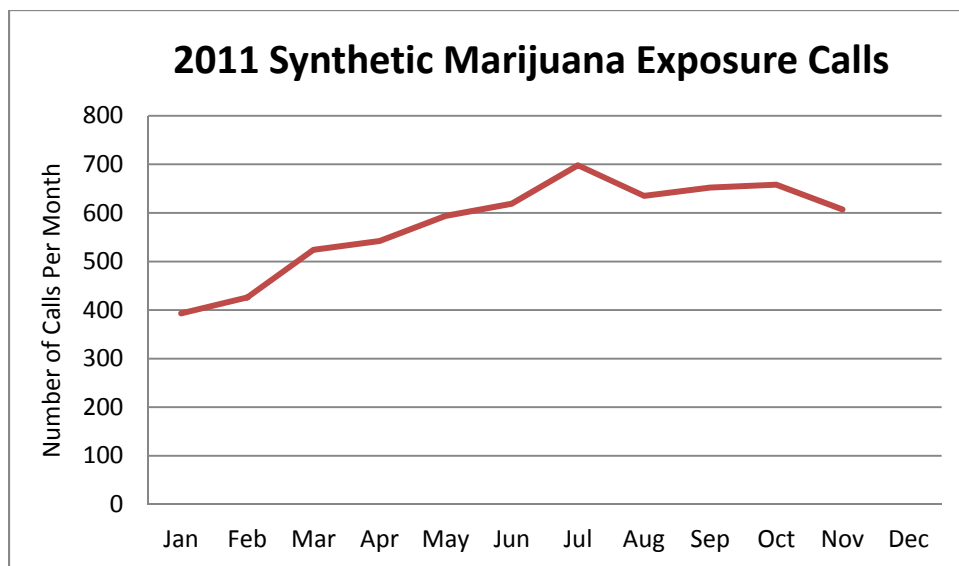
American Association of Poison Control Centers

Synthetic Marijuana Data *Updated December 12, 2011*

These numbers reflect the closed human exposures calls to poison centers about exposures to synthetic marijuana (THC homologs) as of November 30, 2011. The numbers may change as cases are closed and additional information is received.

Year	Number of Calls
2010	2,915
As of Nov. 30, 2011	6,348

Month	Number of Calls
January 2011	393
February 2011	426
March 2011	524
April 2011	542
May 2011	594
June 2011	619
July 2011	698
August 2011	635
September 2011	652
October 2011	658
November 2011	607
December 2011	
Total	6,348



Please note: American Association of Poison Control Center data for this year and last is considered preliminary because it is possible that a poison center may update a case anytime

during the year if new information is obtained. In the fall of each year, the data for the previous year is locked, and no additional changes are made.

The term “exposure” means someone has had contact with the substance in some way; for example, ingested, inhaled, absorbed by the skin or eyes, etc. Not all exposures are poisonings or overdoses.